

WASHINGTON STATE
Workforce Training and
Education Coordinating Board

BOARD MEETING AGENDA

State Investment Board Room
2100 Evergreen Park Drive SW, Olympia 98504
March 31, 2005

Approximate Time

Tab

8:30 a.m.	Welcome/Introductions David Harrison, Board Chair <ul style="list-style-type: none">Minutes of January 27, 2005 (Action Item)Chair's Report	
	Director's Report Ellen O'Brien Saunders, Executive Director	1
9:30 a.m.	<i>High Skills, High Wages: Goal 4</i> Amendment to Guidelines for Workforce Development Councils' Strategic and Operational Plan and Process for Plan Approval (Action Item) Pam Lund	2
10:00 a.m.	<i>High Skills, High Wages: Goal 4</i> Policy on Use of Section 503 Incentive Funds Bryan Wilson	3
10:30 a.m.	Eligible Training Provider List Policy (Action Item) Bryan Wilson Karen Pyle	4
11:00 a.m.	Break	
11:15 a.m.	Policy on Use of Governor's 10% Funds Bryan Wilson Janet Bloom, Employment Security Department	5
11:45 a.m.	State Plan for Adult and Family Literacy Martin McCallum Kathy Cooper, State Board for Community and Technical Colleges	6
12:15 p.m.	Lunch	
1:00 p.m.	Proposal on Minimum College Admission Standards of the Higher Education Coordinating Board (Action Item) *Revised Bryan Wilson Madeleine Thompson	7

1:45 p.m.	High Skills, High Wages: Goal 1 Policy on Industry Skill Panels (2005-06) Pam Lund	8
2:30 p.m.	Workforce Investment Act Years 6 and 7 Targets (Action Item) *Revised Bryan Wilson Carl Wolfhagen	9
3:00 p.m.	Adjourn	

Goals for the Workforce Training and Education System

- To close the gap between the needs of employers for skilled workers and the supply of Washington residents prepared to meet that need.
- To enable workers to make smooth transitions so that they, and their employers, may fully benefit from the new, changing economy, by putting in place a coherent strategy for dislocated and incumbent worker training.
- To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and other low-wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific process will be made in improving operating agencies and reducing the earnings gap facing people of color, adults with disabilities, and women.
- To make the vision of WorkSource a reality so that workforce development programs are customer friendly, broadly accessible, and fully committed to Continuous Quality Improvement.

Key Dates

<p>Thursday, March 31, 2005 – Meeting State Investment Board, Olympia</p> <p>Thursday, May 12, 2005 – Meeting State Investment Board, Olympia</p> <p>Wednesday, July 6, 2005 – Dinner Thursday, July 7, 2005 – Meeting TBA, Bellevue</p> <p>Wednesday, July 27, 2005 through Thursday, July 28, 2005 – Retreat Icicle Inn, Leavenworth</p>	<p>Wednesday, September 21, 2005 – Dinner Thursday, September 22, 2005 – Meeting TBA, Yakima</p> <p>Monday, October 24, 2005 through Wednesday, October 26, 2005 Workforce Strategies Conference Ridpath Hotel, Spokane</p> <p>Wednesday, November 16, 2005 – Dinner Thursday, November 17, 2005 – Meeting TBA, Vancouver</p>
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If you are a person of disability and require an accommodation for attendance, please call the Workforce Board at (360) 753-5677 as soon as possible to allow us sufficient time to make arrangements.

TAB 1

Bush Administration's FY06 Budget for Job Training and Education
Funding Analysis of Key Discretionary Programs Under U.S. Depts. Of Labor and Education
Revised 2/11/2005

	FY04 Enacted Actual Funding Appropriated to Program	FY05 President's Request Funding Requested in President's Budget	FY05 Enacted Funding Appropriated in Omnibus Bill	FY05 Enacted vs. FY04 Enacted Dollar and Percentage Differences	FY06 President's Request Funding Requested in President's Budget	FY06 Request vs. FY05 Enacted Dollar and Percentage Differences
Department of Labor						
WIA Adult Formula (to states)	\$898,890,800	\$900,000,000	\$890,922,144	(\$7,968,666) -1%	\$0	(\$890,922,144) -100%
WIA Dislocated Worker Formula (to states)	\$1,178,192,303	\$1,099,669,000	\$1,186,479,616	\$8,287,313 1%	\$0	(\$1,186,479,616) -100%
WIA Dislocated Worker National Reserve ¹	\$276,226,813	\$283,371,000	\$157,104,032	(\$119,122,781) -43%	\$0	(\$157,104,032) -100%
WIA Youth Formula & Competitive Grants	\$956,059,306	\$1,000,965,000	\$986,288,064	(\$18,771,242) -1%	\$0	(\$986,288,064) -100%
Wagner-Peyser/Employment Service (to states)	\$786,886,814	\$696,000,000	\$780,591,904	(\$8,204,910) -1%	\$0	(\$780,591,904) -100%
One-Stop Career Centers/Labor Market Information	\$98,764,000	\$99,350,000	\$97,973,888	(\$790,112) -1%	\$48,294,000	(\$49,679,888) -51%
Job Corps	\$1,541,151,338	\$1,557,287,000	\$8,174,230	(\$1,549,112,770) -99%	\$1,517,019,000	(\$30,306,568) -2%
H-1B Training	\$0	(\$100,000,000)	(\$100,000,000)	(\$100,000,000) -200%	\$0	\$0 0%
Employment Service National Activities ²	\$58,971,000	\$67,000,000	\$64,976,000	\$6,005,000 10%	\$15,910,000	(\$49,066,000) -76%
Youthful Offender	\$49,705,000	\$50,000,000	\$49,600,000	\$400,000 0%	\$0	(\$49,600,000) -100%
ETA National Activities - Pilots & Demos	\$57,751,245	\$30,000,000	\$85,167,168	\$27,415,923 47%	\$30,000,000	(\$55,167,168) -65%
ETA Native Americans	\$54,675,500	\$55,000,000	\$54,237,600	(\$437,900) -1%	\$54,238,000	\$400 0%
ETA Migrant and Seasonal Farm Workers	\$76,370,000	\$0	\$75,759,040	(\$610,960) -1%	\$0	(\$75,759,040) -100%
TAA Training	\$259,200,000	\$259,300,000	\$259,300,000	\$100,000 0%	\$259,400,000	\$100,000 0%
Community-Based Job Training Grants	\$0	\$250,000,000	\$248,000,000	\$2,000,000 100%	\$250,000,000	\$2,000,000 1%
Prisoner Re-entry Initiative	\$0	\$40,000,000	\$19,840,000	(\$20,160,000) -50%	\$35,000,000	\$15,160,000 76%
Personal Re-Employment Accounts	\$0	\$50,000,000	\$0	\$50,000,000 100%	\$0	\$0 0%
Subtotal Existing Programs	\$6,331,844,119	\$6,337,942,000	\$6,403,565,024	\$71,720,905 1%	\$2,209,881,000	(\$4,193,704,024) -65%
WIA Consolidated Block Grant ³	\$0	\$0	\$0	\$0 0%	\$3,912,856,000	\$3,912,856,000 100%
Subtotal New Programs	\$0	\$0	\$0	\$0 0%	\$3,912,856,000	\$3,912,856,000 100%
Total DOL Selected Programs⁴	\$6,331,844,119	\$6,337,942,000	\$6,403,565,024	\$71,720,905 1%	\$6,122,717,000	(\$280,848,024) -4%
Department of Education						
Vocational and Technical Education ⁵	\$1,327,846,000	\$1,012,000,000	\$1,326,106,592	(\$1,739,408) 0%	\$0	(\$1,326,106,592) -100%
Adult Basic and Literacy Education	\$590,233,000	\$590,233,000	\$585,405,984	(\$4,827,016) -1%	\$215,734,000	(\$369,671,984) -63%
Subtotal Vocational and Adult education programs	\$1,918,079,000	\$1,602,233,000	\$1,911,512,576	(\$3,566,424) 0%	\$215,734,000	(\$1,696,778,576) -89%
Pell Grant ⁶	\$12,006,738,000	\$12,830,000,000	\$12,364,997,280	\$365,259,280 3%	\$13,232,000,000	\$867,002,720 7%
Loans for Short-Term Training ⁷	\$0	\$0	\$0	\$0 0%	\$11,000,000	\$11,000,000 100%
Total DOE Selected Programs⁸	\$13,924,817,000	\$14,432,233,000	\$14,276,609,856	\$351,882,856 3%	\$13,459,734,000	(\$817,775,856) -6%
Total Select Education and Job Training Programs	\$20,256,661,119	\$20,770,175,000	\$20,680,074,880	\$423,413,761 2%	\$19,581,451,000	(\$1,098,623,880) -5%

Source: USDOL and Congressional Budget and Appropriations Documents, FY04-FY06. FY06 figures are based on best information available from DOL and DOE as of 2/7/05.

Note: FY04 Enacted column includes .59% across-the-board reductions in non-defense discretionary programs.

Note: FY05 Enacted column includes .80% across-the-board reductions in non-defense discretionary programs.

FY05 funding levels reflect the deduction of funds stipulated by Congress from the National Reserve Account to fund the Community-Based Job Training Initiative.

FY04 and FY05 allocations include funding for Work Opportunity Tax Credits.

Consolidates funding from WIA Adult, WIA Dislocated Worker and WIA Youth programs, Employment Services state grants, Work Opportunity Tax Credit administrative funds, and LMI grants.

Total Funding equals existing programs plus new programs.

Funding would be redirected to fund President's new High School Intervention Initiative and Community College Access Initiative, both targeted at high school students.

Includes all Pell discretionary funding. Does not include proposed mandatory funding to retire the shortfall.

Would provide \$284 million in available loans to 377,000 students.

Includes discretionary funding for vocational, adult, and Pell Grant programs.

(Compares Current Law to House-Passed and Senate-Introduced Bills and Administration's WIA-Plus Proposal)

1 3/11/05 (text in *bold/italics* in second column represent changes made to House-passed bill)

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Current Law Workforce Investment Act of 1998	H.R. 27 (as passed by House on 3/2/05) Job Training Improvement Act of 2005	S. 9 (as introduced) The Lifelong Education Opportunities Act of 2005	Administration's WIA-Plus Consolidated Grant Program Proposal*
<p>A majority must consist of business representatives and the chair must be a business member.</p> <p>State Board Functions: The state board must assist the Governor in development of a state plan, designation of local areas, development and continuous improvement of state performance measures, preparation of annual report, among other functions.</p>	<p>➤ Programs under the IV-D Child Support program;</p> <p>➤ <i>Employment, training, and literacy services carried out by public libraries; and,</i></p> <p>➤ Programs carried out in the local areas for individuals with disabilities, including programs carried out by state agencies relating to mental health, mental retardation, and developmental disabilities, state Medicaid agencies; State Independent Living Councils; and Independent Living Centers.</p> <p>Same as current law.</p>	<p>Same as current law.</p>	<p>Not Addressed in Proposal.</p>
	<p>Adds function of developing and reviewing statewide policies affecting provision of integrated services through one-stop system. Policies would include development of criteria for certifying one-stop centers and the board would issue certification of centers. Board also sets criteria for allocation of one-stop infrastructure funding which would go to certified centers.</p>	<p>Adds function of developing and reviewing statewide policies affecting provision of coordinated services through the one-stop system. However, it stops short of authorizing the state board to certify one-stop centers. The board's role is to set "objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers." The state board also responsible commenting at least</p>	<p>Not Addressed in Proposal.</p>

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	once annually on the measures taken pursuant to the Perkins Program and Elementary and Secondary Programs.		
	Adds development of criteria for appointment and certification of local boards.	Similar to House.	Not Addressed in Proposal.
	Explicitly authorizes state board to hire staff.	Similar to House.	Not Addressed in Proposal.
State board must comment on state vocational education (Perkins) performance measures.	Removes requirement to review state vocational education performance measures.	Same as current law, and adds a role in reviewing and commenting on the state plans of all one-stop partner programs.	Not Addressed in Proposal.
		Adds other functions, such as determining policy for one-stop partner roles and contributions.	
Alternative Entity: Governors have broad authority to grandfather state boards that were in existence prior to WIA.	Eliminates this grandfathering provision.	Same as current law, except a new state board may be formed if the state fails to meet performance measures.	Not Addressed in Proposal.
Local Area Designation: Governor must designate local areas after taking into account a number of considerations, such as consistency with labor market areas and available resources.	Adds a new consideration for designating an area: efficiency in administration and provision of services.	Adds a new consideration for designating an area: maximum effectiveness in administration and provision of services.	Not Addressed in Proposal.
Governors must approve a request for designation from any single jurisdiction	Same as current law, but drops automatic designation for local	Same as current law—but states that after two years, designation is tied to	Not Addressed in Proposal.

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* Analysis of Administration's Proposal based on preliminary information available at this time.

NGA Center for Best Practices

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with a population of 500,000 or more, a rural concentrated employment program and local areas in Rhode Island.	areas in Rhode Island. Designation can be denied for substandard performance in previous two years.	successful performance on core indicators and maintenance of fiscal integrity.	
A jurisdiction with a population of 200,000 or more that was a service delivery area under JTPA could win 2-year designation and continued designation if it performed successfully and sustained fiscal integrity.	Same as current law.	Eliminates temporary designation criteria and adds a provision granting automatic designation to any local area that performed successfully and sustained fiscal integrity in the previous 2 years.	Not Addressed in Proposal.
Jurisdictions may appeal to the state board and to the Secretary of Labor.	Same as current law.	Eliminates appeal to the Secretary of Labor.	Not Addressed in Proposal.
States that were single state areas under JTPA as of July 1, 1998 may be designated as single state local areas under WIA.	Does not allow additional states to designate single state local areas.	Allows states that were not single state local areas prior to WIA to be designated as such but only if no local area (that meets the standard for designation) seeks designation as a separate local area.	Not Addressed in Proposal.
States may require local boards in a region to participate in a regional planning process that results in regional performance measures.	Authorizes states to require local boards to prepare a single regional plan that incorporates elements of local plans and is submitted in lieu of separate plans.	Same as House, but does not specify that the regional plan should replace separate local plans.	Not Addressed in Proposal.
Local Workforce Boards: Local boards must include representatives of business, labor, local education entities and community-based organizations. There	Same as current law, but adds that business reps should include business that are in the leading industries in the local area, and	Similar to House, except that representatives of faith-based organizations are not required.	Not Addressed in Proposal.

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must be a business majority and a business chair.	large & small businesses in the local area. Also specifies superintendents of local schools, an administrator of an entity providing adult education and literacy activities that is not a one-stop partner, the president or CEO of postsecondary education institutions (including comm., colleges where they exist), and requires representatives of faith-based organizations.		
Representatives of each of the one-stop partners also have seats on the local board.	Eliminates requirement for one-stop partner programs to have seats on local board.	Same as House.	Not Addressed in Proposal.
Local boards must establish a youth council to coordinate youth activities and develop youth portions of local plan among other tasks.	Removes requirement for local youth councils. However, local boards may establish advisory councils (such as a one-stop partners' council and a youth council).	Same as House. Adds that if a youth council is not established, the local board must include representatives with experience serving out-of-school youth.	Not Addressed in Proposal.
Planning: States and local areas must submit a plan that outlines a 5-year strategy. The plan describes workforce investment activities, how key requirements will be met and how special populations (dislocated workers, low-income individuals and others) will be served.	Requires 2-year plans for both state and local plans. Adds homeless, ex-offenders and transitioning farmers as new special populations that must be addressed in State Plan.	Requires 4-year plans. State and local boards must review and amend plan after 2 years. Replaces references to several specific populations with a reference to "hard-to-serve populations and individuals training for nontraditional employment."	States that choose the WIA-Plus option would submit a single State Integration Plan and will report through a single system. Program-specific requirements will be minimized.

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	Adds separate State Plan requirement to address how the needs of individuals with disabilities will be met, including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, and the training of staff.	Similar to House.	However, drops in participant levels for targeted populations such as individuals with disabilities will not be allowable.
	Adds provision that State Plan must include a description of the methodology for determining one-stop partner contributions for the cost of the infrastructure of one-stop centers and of the formula for allocating such infrastructure funds to local areas.	Greatly expands contents of state plan, including a description of the state strategy for coordinating workforce and economic development activities and a description of how the state will implement innovative strategies to meet the needs of all businesses (such as incumbent worker training, sectoral and industry cluster strategies, regional skills alliances and other strategies).	
	State plan must also include a description of any new programs and strategies the State will utilize to meet the needs of businesses in the State, including small businesses, which may include providing incentives and technical assistance to assist	Similar to House.	

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	local areas in engaging employers in local workforce development activities. Adds provision that Local plans must include a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meets the employment needs of local employers and participants. Local plan must also include a description of the strategies that will be initiated in the local area to engage small employers, in workforce development activities.	Similar to House. Also places emphasis on access to services in remote areas and access to services for individuals with disabilities. Local plans must also include a description of the strategies and services that will be initiated in the local area to more fully engage all employers, including small employers, in workforce investment activities, to make the system more relevant to the needs of area businesses and to better coordinate workforce investment and economic development efforts, which may include incumbent worker training initiatives, sectoral and industry cluster strategies, regional skill alliance initiatives, career ladder programs, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of area employers.	
One-Stop System			
One-Stop Partners: Local one-stop systems bring together a range of required (mandatory) partners who must	Eliminates Wagner-Peyser Act (Employment Service) as a required partner.	Same as current law, but requires collocation of employment service offices with comprehensive one-stop	Proposal does not specifically address the list of required

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<p>make their services available to customers and participate in the operation of the local system. Required partners include WIA, Employment Service and vocational rehabilitation.</p> <p>Additional (voluntary) partners may opt to participate in the one-stop system.</p>	<p>Adds TANF as a required partner, unless the Governor notifies Labor and HHS Departments that TANF is not to be included.</p> <p>Adds as additional partners: Ticket to Work, child support enforcement and special programs for people with disabilities (including mental health, mental retardation, development disabilities and independent living).</p>	<p>centers.</p> <p>Same as House.</p> <p>Same as House, but adds programs run by the Small Business Administration and does not add child support enforcement or special programs for people with disabilities.</p> <p>Adds language specifying roles and responsibilities of one-stop partners (such as using a portion of program funds to maintain one-stop system).</p>	<p>partners, but it does stipulate that the WIA Adult, WIA Dislocated Worker, and WIA Youth Programs and Employment Services would be consolidated into a single funding stream. In addition, states would have the option of consolidating certain other federal job training and employment programs that are currently administered by the Departments of Labor, Education and Agriculture. These programs include: Veterans Employment, TAA, Vocational Rehabilitation, Adult Education and Food Stamps Employment and Training.</p>
<p>One-Stop Infrastructure Funding: Local boards are required to develop Memoranda of Understanding (MOU)</p>	<p>Establishes new state-determined infrastructure funding mechanism.</p>	<p>Provides local areas with two options for infrastructure funding: 1) to develop a funding mechanism,</p>	<p>Not Addressed in Proposal.</p>

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that specify resource sharing and referral arrangements among one-stop partners.	<p>The Governor, in consultation with state board, determines the proportionate amount that each one-stop partner program must contribute to support one-stop infrastructure (defined as non-personnel costs necessary for operation of one-stop centers). Funds must come from administration.</p> <p>The Governor allocates infrastructure funds to local areas based on a formula developed by state board.</p> <p>Native American programs contribution to support the one-stop infrastructure shall be determined as part of the development of a MOU.</p>	<p>with agreement of partners, in the local MOU; 2) to receive a grant from a new state infrastructure funding mechanism. If local partners fail to develop a MOU by July 1, 2005, the state mechanism becomes mandatory for that local area.</p> <p>Same as House, except consultation must include chief local elected officials, local boards as well as the state board, the Governor must exclude from the state funding mechanism any funds and centers in local areas where partners have agreed to share infrastructure costs through the MOU process and the Governor must establish an appeals process for one-stop partners.</p> <p>Same as House.</p>	Caps contributions from WIA and Wagner-Peyser Act at 3 percent;

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	<p>other partners at 1.5 percent unless existing local MOU provides for a larger contribution; vocational rehabilitation starting at 0.75 percent and rising to 1.5 percent. Native American programs are not required to make contributions.</p> <p>Similar to House, except there is no reference to infrastructure costs beyond those covered by the new infrastructure grants.</p>	<p>other partners at 1.5 percent unless existing local MOU provides for a larger contribution; vocational rehabilitation starting at 0.75 percent and rising to 1.5 percent. Native American programs are not required to make contributions.</p> <p>Similar to House, except there is no reference to infrastructure costs beyond those covered by the new infrastructure grants.</p>	
Eligible Training Providers			
<p>Requirements for Eligible Providers of Training: States are required to establish a two-phased system for determining the eligibility of training providers under WIA Title I. The first phase is initial eligibility determination and the second phase is subsequent eligibility determination, which involves reporting performance information, such as completion rates, employment, wages and retention. Local boards identify eligible providers and states prepare and issue a statewide list based on submissions from the local boards.</p>	<p>Eliminates current statutory requirements for eligible training providers. Provides Governors with flexibility to establish performance criteria and procedures for identifying eligible training providers. Requires Governor to make available a list of all eligible providers. Allows certified apprenticeship programs to be eligible training providers automatically. <i>Allows Governors to consider whether providers of training allow participants to</i></p>	<p>Similar to House, except in establishing: apprenticeship programs as automatically eligible as long as they are certified by DOL; factors for the Governor to consider in developing criteria; sanctions for supplying inaccurate information; and an implementation deadline of December 31, 2005.</p>	<p>“Job training institutions will be required to demonstrate that they are training individuals for jobs in demand and are ensuring graduates have the skills that employers need.”</p>

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Providers of on-the-job training and customized training are not subject to these requirements.	<i>attain a certification, certificate, or mastery as they develop their criteria for determining eligible providers of training.</i>		
	Requires Governor to solicit and take into consideration recommendations of local boards and training providers.	Requires Governor to consult with state board in establishing criteria and procedures.	
	Allows Governor to authorize local areas to establish additional criteria for training providers.	Authorizes local boards to establish criteria in addition to state criteria or higher levels of performance.	
	Maintains the current law exemption from eligible training provider requirements for on-the-job and customized training providers.	Same as current law.	Not Addressed in Proposal.
	Adds limitation that no personally identifiable information regarding a student (such as SSN) may be disclosed without prior consent.	No such limitation.	Not Addressed in Proposal.
Adult Services			
State Allotments: States receive separate allotments for the Wagner-Peyser Act, WIA adults and WIA dislocated workers.	Combines WIA adult and dislocated worker funding streams with Wagner-Peyser Act funds to form a single adult funding stream. House bill authorizes \$3.14 billion in	Same as current law. Funding levels for the three funding streams calls for "such sums as may be necessary for each of fiscal years 2006 through 2011."	The WIA Adult, WIA Dislocated Worker, and WIA Youth Programs and Employment Services would be consolidated

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<p>A fraction of the WIA adult allotment to states is reserved for outlying areas and the remainder is distributed to states using the following formula factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of unemployed individuals in areas of substantial unemployment (above 6.5 percent unemployment rate) ➤ One-third is based on relative excess number of unemployed individuals ➤ One-third is based on relative number of disadvantaged adults 	<p>appropriations for adults in FY 2006, subject to appropriation and "such sums as may be necessary for each of fiscal years 2007 through 2011."</p> <p>A fraction of the allotment among states is reserved for outlying areas. The remainder is distributed using a <u>new three-part formula</u>.</p> <p>Part One distributes 26 percent based on FY 2006 state allotments under the Wagner-Peyser Act.</p> <p>Part Two distributes 74 percent on the basis of three factors:</p> <ul style="list-style-type: none"> ➤ 60 percent based on the relative number of unemployed individuals ➤ 25 percent based on the relative excess number (above 4.5 percent) of unemployed individuals ➤ 15 percent based on relative number of disadvantaged adults <p>Part Three compares the results of preceding calculations with</p>	<p>The formula for allotting adult funds to states is revised as follows:</p> <ul style="list-style-type: none"> ➤ 40 percent based the relative number of unemployed individuals in areas of substantial unemployment ➤ 25 percent based on the relative number of individuals in the civilian labor force ➤ 35 percent based on the relative number of disadvantaged adults <p>If a state loses funds under the new formula, the Secretary is required to use national discretionary funds (up to \$20 million) to ensure that each state receives the amount it would have received under the current formula for adult activities.</p>	<p>into a single funding stream (\$3.9 billion). In addition, states would have the option of consolidating certain other federal job training and employment programs that are currently administered by the Departments of Labor, Education and Agriculture. These programs include:</p> <p>Veterans Employment, TAA, Vocational Rehabilitation, Adult Education and Food Stamps Employment and Training (an additional \$3.6 billion for a total of \$7.5 billion).</p> <p>No details on the state allotment formula are</p>
<p>A fraction of the WIA dislocated worker allotment to states is reserved for outlying areas. The remainder is</p>		<p>The formula for allotting dislocated worker funds remains the same as in</p>	

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<p>distributed to states using the following formula factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of unemployed individuals ➤ One-third based on the relative excess number (above 4.5 percent) of unemployed individuals ➤ One-third based on the relative number of people unemployed for 15 weeks or longer <p>No state receives an adult allotment that is less than 90 percent or greater than 130 percent of the prior year's share of the total adult allotment to states. No hold harmless or stop-gain is applied to the dislocated worker allotment. A small state minimum is applied.</p> <p>Reallotment authority is based on obligations. The Secretary is authorized to reallot among states the amount by which a state's unobligated balance exceeds 20 percent of its allotment for the prior program year.</p>	<p>results using current WIA formulas for the separate state allotments and adjusts them so that no state loses funds from this year's level or gains more than 3 percent from year to year. Any shortfall after this adjustment among state allotments would be made up out of national discretionary funds.</p> <p>Hold harmless and stop-gain provisions apply to the first two parts of the formula and have less importance than in the past given the guarantee that no state will lose dollars or gain more than 3 percent from year to year. Modifies small state minimum to no less than 2/10 of 1 percent of the amount available.</p> <p>Changes the basis of reallotment to expenditures defined to include accrued expenditures. Accrued expenditures is defined as "charges incurred by recipients of funds for a given period requiring the provision of</p>	<p>current law.</p> <p>Similar to current law.</p> <p>Similar to House, except that it specifies the effective date to be the later of program year 2005 or the program year after reauthorization is enacted.</p>	<p>available at this time.</p> <p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>

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	funds for goods or other tangible property received; services performed by employees, contractors, subgrantees, and other payees; and other amounts becoming owed under programs for which no current services or performance is required." The Secretary would reallocate any unexpended funds in excess of 30 percent of a year's allotment to a state and the Governor may do so to any local area on the same terms.		
Within State Allocations: Currently, all Wagner-Peyser Act funds are retained at the state level. The Governor reserves up to 15 percent of the WIA adult, dislocated worker and youth allotments for statewide activities. In addition, the Governor may reserve up to 25 percent of the dislocated worker funding stream for rapid response activities.	Authorizes the Governor to reserve up to 50 percent of the consolidated funding stream for statewide activities.	Same as current law.	No details on the within-state formula are available at this time.
To send adult funds to local areas, states may use a formula allocation using the national factors. Alternatively, states may adopt a discretionary allocation in which at least 70 percent of funds are distributed based on the same factors the Secretary uses to allot funds to states and	Allocates the remaining 50 percent to local areas. 15 percent of the local share is distributed using a discretionary formula determined by the Governor in consultation with the state and local boards. 85 percent is	The formula for allotting adult funds within states is revised as follows: <ul style="list-style-type: none"> ➤ 40 percent based on the relative number of unemployed individuals in areas of substantial unemployment ➤ 25 percent based on the 	

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<p>not more than 30 percent of funds are distributed based on a formula that looks at additional factors (excess poverty and excess unemployment). The dislocated worker funds are allocated to local areas based on an allocation formula prescribed by the Governor.</p> <p>The Governor can authorize local boards to transfer up to 20 percent of funds between adult and dislocated worker activities.</p>	<p>allocated using the relative share of the formula specified in Part Two of the allotments to states (as detailed above). Similar hold-harmless and stop-gain provisions for state apply to local areas.</p> <p>Eliminates transfer authority since a consolidated adult program is created.</p>	<p>relative number of individuals in the civilian labor force</p> <ul style="list-style-type: none"> ➤ 35 percent based on the relative number of disadvantaged adults <p>Same as current law.</p>	<p>Assume that transfer authority would be eliminated since a consolidated funding stream is created.</p>
<p>Statewide Activities: States use 15 percent reserved from each of the three WIA funding streams to carry out a series of required activities, such as disseminating list of eligible training providers and providing incentive grants. States may also use the 15 percent funds to carry out allowable activities, such as implementation of innovative incumbent worker programs.</p>	<p>Specifies that one-half of the funds reserved by the Governor (25 percent of the combined funds for the new adult program) must be used to support core services in the one-stop centers either by allocating funds to local areas or by providing state personnel to deliver the services (in consultation with local board). The provision of these services must be consistent with the local plan, through the one-stop delivery systems.</p> <p>Authorizes use of the remaining 25 percent of statewide funds to carry out activities which are no</p>	<p>Contains no such requirement as that in the House bill.</p>	<p>Not Addressed in Proposal.</p>
		<p>Authorizes states to use 15 percent from each WIA funding stream to carry out an expanded list of</p>	

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	longer required but are now simply allowable, including supporting core services in local one-stop centers and developing strategies for serving hard-to-serve populations.	required and allowable activities. Additional required activities include disseminating performance and cost information and developing strategies for placing men and women in jobs, education and training that lead to comparable pay.	
States may use up to 5 percent of the state allotment for administration.	Same as current law.	Additional allowable activities include implementing strategies that meet the needs of businesses (such as incumbent worker training programs, sectoral and industry cluster strategies, career ladder programs and others); promoting remote access to services; coordination with child welfare, child support, disability and economic development programs; and adopting a self-sufficiency standard.	Not Addressed in Proposal.
States may use up to 25 percent reserved from the dislocated worker allotment to carry out rapid response activities and provide additional assistance to local areas that experience unexpected and substantial dislocation.	Authorizes use of the remaining 25 percent of statewide funds to carry out rapid response activities, conducting evaluations, providing incentive grants to local areas for regional cooperation, providing technical	Same as current law. Also authorizes Governor to use unexpended rapid response funds to carry out other statewide activities.	Not Addressed in Proposal.

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	assistance and capacity building to local areas, operating a fiscal and management accountability system, monitoring and oversight activities, implementing innovative programs such as incumbent worker and displaced homemaker programs, developing strategies to effectively serving hard-to-serve populations, implementing programs to increase the number of individuals training in non-traditional occupations and carrying out activities to facilitate remote access to services.		
Access to Core, Intensive and Training Services: Core services are available to all adults and dislocated workers.	Strikes limitation of core services to adults and dislocated workers, thus opening core services to youth.	Same as current law.	Not addressed in proposal, although with consolidated funding stream, assume that core services would be made available to adults, dislocated workers and youth.
Unemployed adults and dislocated workers are eligible for intensive services if they are "unable to obtain employment" through core services. Employed workers are eligible if they are	Amends eligibility to allow intensive services if an unemployed adult is determined	Amends eligibility to allow intensive services if an unemployed adult or dislocated worker is determined to	Not Addressed in Proposal.

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<p>determined to need intensive services "to obtain or retain jobs that allow for self-sufficiency." Other criteria are also applied.</p> <p>Training services are available to adults and dislocated workers who are "unable to obtain or retain employment" through intensive services. Other criteria are also applied.</p>	<p>to be "unlikely or unable to obtain suitable employment." Employed adults are eligible if they are determined to need services "to obtain or retain suitable employment." Other eligibility criteria in current law are maintained. The Governor defines the term "suitable employment" as the basis for eligibility.</p> <p>Training services are available to adults who, after an interview, evaluation, or assessment, and case management, have been determined by the one-stop operator or partner to be "unlikely or unable to obtain or retain suitable employment" through intensive services. Other criteria in current law are maintained. <i>Local one-stops are encouraged to provide individuals with information about entrepreneurial training, including providing information about obtaining microcredit loans for the purpose of starting a business, including contact information of microcredit lenders operating within the</i></p>	<p>be "unlikely or unable to obtain employment that leads to self-sufficiency or wages comparable to or higher than previous employment." Employed workers are eligible if they are determined to need services "to obtain or retain employment that leads to self-sufficiency."</p> <p>Training services are available to adults and dislocated workers who are determined to be "unlikely or unable to obtain or retain employment that leads to self-sufficiency or wages comparable to or higher than previous employment" through intensive services. Other eligibility criteria are maintained.</p>	<p>Not Addressed in Proposal.</p>

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<p>Limited local funds trigger a priority of service for public assistance recipients and other low-income individuals.</p>	<p><i>local area.</i></p> <p>Shifts priority of service for intensive and training services to unemployed individuals. Maintains that, if local funds are limited, public assistance recipients and other low-income individuals also get priority.</p>	<p>Same as current law with priority for public assistance and low-income individuals if local funds are limited.</p>	<p>Not Addressed in Proposal.</p>
<p>Authorized Adult and Dislocated Worker Services: Local areas are required to provide a battery of core services (such as job search assistance and information on the labor market, supportive services and unemployment insurance).</p> <p>Intensive services include case management (for training participants) and development of a plan.</p> <p>Training services include occupational skills training, on-the-job training, etc. Customers must exercise customer choice through use of Individual Training</p>	<p>Clarifies that core services include labor exchange services for individuals and employers.</p> <p>Adds administration of the work test for UI as core service.</p> <p>Clarifies that case management is not simply for training participants. Adds the following intensive services: internships and work experience, literacy activities and out-of-area job search assistance and relocation assistance.</p> <p>Authorizes local boards to create “enhanced ITAs” that store funds from WIA and other programs.</p>	<p>Similar to House though with greater emphasis on high-wage, high-skill jobs and other factors.</p> <p>No such provision. Requires a designated business liaison to work with local employers.</p> <p>Similar to House, but adds English language acquisition/integrated training programs as a new intensive and training service.</p> <p>Changes ITAs to Career Scholarship Accounts and requires local boards to coordinate those accounts with</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p> <p>Proposes Innovation Training Accounts which “will build</p>

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<p>Accounts (ITAs). There are three exceptions where contracts may be used for training.</p> <p>In addition, local areas can provide discretionary services (such as supportive services).</p>	<p><i>In providing training services, funds allocated to a local area may be used to purchase computer technology for use by an individual who is eligible only if such purchase is part of an ongoing training program; and, such purchase is necessary to ensure the individual can participate in such training program. Any purchase of computer technology shall remain the property of the one-stop operator.</i></p> <p>Additional discretionary services include: customized screening and referral of qualified participants in training services to employers, customized employment-related services to employers on a fee-for-service basis, customer support to navigate among multiple services, coordination with child support activities and work support activities for low-wage workers (such as assistance in accessing food stamps and other financial supports), activities to improve services to local employers, activities to facilitate</p>	<p>other funding sources. Also allows use of contract for training where it is deemed appropriate for a higher education institution to train multiple individuals in high-demand occupations.</p> <p>Similar to House. Expands the scope of discretionary services to include: strategies to meet employers' needs, such as sectoral, industry cluster, career ladder and other business services; coordination with economic development programs and other services.</p>	<p>upon the success of Individual Training Accounts." Innovation Training Accounts would allow individuals to "access a broad range of public and private training resources through a single, self-managed account."</p> <p>Not Addressed in Proposal.</p>

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	remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology. Authorizes local boards to use up to 10 percent of funds to support incumbent worker training programs with an employer match established by Governor (or local board if authorized by Governor) and adjusted for employer's size.	Similar to House, except the Governor or state board may make recommendations concerning training with statewide impact and the local board establishes the appropriate employer share.	Not Addressed in Proposal.
National Reserve/Emergency Grants: The Secretary retains 20 percent of the appropriated amount for dislocated workers and uses it for national emergency grants, dislocated worker projects and other projects.	Allots 10 percent of the annual appropriation (for combined adult funds) for national dislocated worker grants (not less than 75%, <i>of which \$125 million can be used for the community-based job training grants</i>), demonstration projects (not more than 20%) and technical assistance (not more than 5%). Changes national emergency grants to national dislocated worker grants. Eliminates need to establish a national dislocated	Same as current law. Same as House.	Not Addressed in Proposal.
The Secretary is authorized to award national emergency grants in the event of major economic dislocations and natural disasters or due to the need for additional			Not addressed in proposal, although assume that National Emergency/Dislocated

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assistance where allotted funds are exhausted.	worker office. Expands the use of the NEG/National Dislocated Worker Grants to include services for certain military spouses.	Adds new goals for grants, including providing additional assistance to state or local area with a higher than average demand for services for dislocated members of the armed forces or their spouses and responding to layoffs in multiple sectors or across several local areas. Specifies timelines for the Labor Department to take action on grant applications and issue a notice of obligation.	Worker Grants would continue.
Wagner-Peyser Act: States currently receive annual allotments to carry out labor exchange activities. 90 percent of the funds are for job search and placement services, appropriate recruitment services for employers and for other activities, such as labor market information and administering the work test for UI. 10 percent of funds are reserved by the Governor for performance incentives, services for groups with special needs and exemplary service delivery models. In most states, state personnel deliver these services through a combination of employment services offices and one-stop centers.	Repeals all of the Wagner-Peyser Act, except modified provisions for Workforce and Labor Market Information. Authorizes Secretary to assist in development of national electronic tools and eliminates need for annual plan for employment statistics.	Same as current law, but requires collocation of employment services offices with comprehensive one-stop centers. Same as House, but requires a 2-year plan for cooperative management of the nation's workforce and labor market information system. Requires use of current method for distributing funding for labor market information (ALMIS) to states.	Wagner-Peyser Act included in the consolidated funding stream and the WIA-Plus consolidated funding stream option. Not Addressed in Proposal.

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<p>State Allotments: States receive 100 percent of the first \$1 billion in appropriations for youth. In years when appropriations exceed \$1 billion, the excess amount (up to \$250 million) is used to fund youth opportunity grants and youth activities related to migrant and seasonal farmworker programs.</p>	<p>Gives states 75 percent of the first \$1 billion for youth activities and everything over \$1 billion appropriated for a fiscal year. House bill authorizes \$1.25 billion in appropriations for youth in FY 2006, subject to appropriation, and "such sums as may be necessary for each of fiscal years 2007 through 2011."</p>	<p>Same as current law, except "youth opportunity grants" become "youth challenge grants."</p>	<p>WIA Youth Program included in the consolidated funding stream and the WIA-Plus consolidated funding stream option.</p>
<p>The formula for allocation to states incorporates the following factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of unemployed individuals in areas of substantial unemployment ➤ One-third based on relative excess number of unemployed individuals ➤ One-third based on relative number of 16-21 year old disadvantaged youth 	<p>If the total amount available to states is the same or less than what was provided in FY 2005 (\$986 million), then funds would be allotted based on the formula in current law. Additional appropriations (above \$986 million) would be allotted based on three factors:</p> <ul style="list-style-type: none"> ➤ One-third based on the relative number of individuals in the civilian labor force ages 16-19 ➤ One-third based on relative number of unemployed individuals ➤ One-third based on relative number of 16-21 	<p>Same as House, but uses 16-21 year olds in the state's civilian labor force rather than 16-19 year olds.</p>	<p>No details on the funding formula are provided.</p>

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<p>No state shall receive an allotment that is less than 90 percent or greater than 130 percent of prior year's share of the total allotment to states. Small state minimum is applied.</p> <p>The Secretary is authorized to reallocate among states the amount by which a state's unobligated balance exceeds 20 percent of its allotment for the prior program year.</p>	<p>year old disadvantaged youth</p> <p>Similar to current law, but small state minimum is modified to no less than 3/10 of one percent of the state allotments.</p> <p>Changes the basis of reallocation to expenditures, defined to include accrued expenditures (the value of goods or services delivered but not yet paid for). The Secretary would reallocate any unexpended funds in excess of 30 percent of a year's allotment to a state and the Governor may do so to any local area on the same terms.</p>	<p>Similar to current law. Small state minimum is modified to no less than 3/10 of one percent of the state allotments.</p> <p>Similar to House, except that it specifies the effective date to be the program year after reauthorization is enacted.</p>	<p>Not Addressed in Proposal.</p> <p>Not Addressed in Proposal.</p>
<p>Within State Allocations: The Governor reserves not more than 15 percent of the state's allocation for statewide activities.</p> <p>To send funds to local areas, states may use a formula allocation using the national factors. Alternatively, states may adopt a discretionary allocation in which at least 70 percent of funds are distributed based on the same factors the</p>	<p>Reduces amount that Governor may reserve to 10 percent of the state's allocation to carry out statewide youth activities.</p> <p>Allocates 80 percent of funds based on a formula using the national factors outlined above. Similar hold harmless (90%) and stop-gain (130%) provisions</p>	<p>Same as current law.</p> <p>Same as House, but uses 16-21 year olds in the state's civilian labor force.</p>	<p>No details on the within-state funding formula are provided.</p>

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Secretary uses to allot funds to states and not more than 30 percent of funds are distributed based on a formula that reflects excess youth poverty and unemployment.	apply to local areas. Allocates 20 percent of funds based on demographic and economic factors determined by the Governor, after consultation with state and local boards.	The Governor may allocate the 20 percent funds to local areas where there are a "significant number of eligible youth," after consultation with state and local boards.	
Statewide Activities: Funds reserved by the Governor must be used to carry out required activities, such as conducting evaluations, providing incentive grants, providing technical assistance and providing additional assistance to local areas that have high concentrations of eligible youth. The Governor's discretionary funds may also be used for a range of allowable activities. Not more than 5 percent of the state allotment may be used for administration.	Strikes required activities and lists authorized activities similar to those in current law. Explicit authority is added to support provision of core services at one-stop centers. Same as current law.	Similar to House, but adds supporting development of alternative programs as another authorized use of funds. Same as current law.	Not Addressed in Proposal. Not Addressed in Proposal.
Youth Eligibility: Both in-school and out-of-school youth are eligible. Thirty percent of funds must be used to serve out-of-school youth unless the Secretary approves a request reducing the required percentage.	Same as current law, though a new priority is given to school dropouts. Not more than 30 percent of funds may be used to provide services to in-school youth.	Same as House, but priority for school dropouts is not added. Not more than 60 percent of funds may be used to provide services to in-school youth—unless the Secretary approves a request to exceed the ceiling.	Not Addressed in Proposal. Not Addressed in Proposal.

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Eligible youth must be 14-21 years old, low-income and have one or more barriers (such as basic skills deficiency or school dropout). There are no separate eligibility criteria for out-of-school and in-school youth.	Activities for in-school youth must be carried out in non-school hours. Changes overall eligibility to 16-24 years old. Eligible out-of-school youth must be one or more of the following: school dropout; recipient of a secondary school diploma or GED who is basic skills deficient; court-involved youth attending an alternative school; youth in foster care or who have been in foster care.	No such provision. Changes eligibility for out-of-school youth to 16-21 years old. Eligible youth must meet one of a broad list of criteria: school dropout; a recipient of a secondary school diploma or equivalent who is basic skills deficient, low-income and not attending any school; subject to the juvenile justice system or ordered by a court to alternative school, plus other criteria.	Not Addressed in Proposal.
The definition of low-income individual does not allow school lunch eligibility as a proxy for eligibility.	Eligible in-school youth must be low-income individuals and have one or more of the barriers as in current law. Modifies low-income criteria to make eligible those who receive free or reduced price school lunches. Modifies the definition of disadvantaged youth to be: "an individual who is age 16 through 21 who received an income, or is a member of a family that received an income, that, in	Eligible in-school youth are 14-21 years old, low-income and have one or more barriers similar to those in current law. Same as House.	Not Addressed in Proposal.

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Not more than 5 percent of participants can be eligible regardless of income level provided they have one or more barriers, including basic skills deficient, pregnant or parenting, etc.	relation to family size, does not exceed the poverty line. Strikes this provision.	Not more than 5 percent of participants may be individuals who are not low-income where income criteria are applicable.	Not Addressed in Proposal.
Local Program Design: Funds must be used to provide an assessment, develop service strategies and provide preparation for employment and postsecondary education. Local programs must incorporate 10 required elements.	Strengthens emphasis on attainment of recognized credentials and pursuit of jobs in high-growth sectors. Maintains 10 program elements and adds on-the-job training opportunities and financial literacy skills.	Similar to House, but clarifies that academic instruction be based on content and standards set by No Child Left Behind legislation. Same as House, but adds entrepreneurial skills training/micro-enterprise services and information about average wages.	Not Addressed in Proposal. Not Addressed in Proposal.
Eligible Providers of Youth Services: Local boards must award grants or contracts on a competitive basis.	Similar to current law, but adds an exception for local areas where there is an insufficient number of eligible providers.	Same as House.	Not Addressed in Proposal.
Youth Challenge Grants: Youth Opportunity Grants are awarded to selected high-poverty areas.	Authorizes Secretary to reserve 25 percent of the appropriated amount for youth challenge grants. If the total appropriation exceeds \$1 billion, only \$250 million could be used for such grants.	Authorizes Secretary to reserve funding for youth challenge grants only if the total appropriation exceeds \$1 billion. Up to \$250 million could be used for such grants.	Not Addressed in Proposal.

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	The bulk of funds would be used for competitive grants to states, local boards and other entities to assist youth ages 14-19 in acquiring skills, credentials and work experience needed for labor market success. A portion of the funds would be used for discretionary grants awarded by the Secretary.	Similar to House, except eligible youth are 14-21 years old, a non-federal match is required, grant period is 2 years, among other differences.	
Performance Accountability			
Core Indicators: States are subject to four core indicators (entered employment, retention, earnings and attainment of a credential).	Similar to current law, <i>but deletes attainment of a credential and does not include an efficiency measure as in the OMB common measures.</i>	Same as current law, but modifies earnings to focus on increases in earnings from unsubsidized employment. Does <i>not</i> include efficiency measure as a core indicator.	Although not specified, assume that Administration's proposal would incorporate OMB common measures. In addition, states that choose the WIA-Plus option would be responsible for meeting "increasingly rigorous performance standards each year, leading to a goal in the 10 th year that they place in employment 100 percent of the workers trained with grant resources. As part of their State
Core indicators are applied to older youth and all adult and dislocated worker services.	Eliminates application of core indicators to older youth.	Same as House.	
Accountability measures are not applied to self-service and information activities.	Eliminates the current exclusion for self-service and information services.	Same as current law.	
Three additional indicators apply to youth (attainment of basic skills, attainment of diploma or equivalent and placement and retention).	Replaces core indicators for youth with entry into employment, attainment of diploma or GED, and attainment of literacy or numeracy skills	Similar to House.	

Current Law Workforce Investment Act of 1998	H.R. 27 (as passed by House on 3/2/05) Job Training Improvement Act of 2005	S. 9 (as introduced) The Lifelong Education Opportunities Act of 2005	Administration's WIA-Plus Consolidated Grant Program Proposal*
Customer satisfaction indicators are established for individuals and employers.	<i>(deletes efficiency measure).</i> These are similar to OMB's common measures. Eliminates customer satisfaction measures, but specifies that states may use them as additional indicators. Provides for adjustments of local levels of performance to take into account various economic conditions, demographic characteristics, or other characteristics of the population. <i>Adds service to veterans with disabilities as in indicator of one-stop performance.</i>	Same as current law. Encourages states to identify additional indicators that track the system's performance in meeting business needs. Authorizes Secretary to use WIA core indicators to assess performance of other one-stop programs in the Labor Department. Same as House.	Integration Plan, states will be required to develop benchmarks to track annual yearly progress towards that goal."
Reporting Requirements: In addition to core indicators and customer satisfaction measures, states must report on a complex array of additional information, such as performance for special populations.	Leaves state reporting requirements intact except lifts the exclusion for reporting information on self-service and information activities. Also adds requirement for states to ensure data are valid and reliable.	Adds new requirements to report on cost per participant, number of participants served, new special populations, amount of adult and dislocated worker funds spent on core, intensive, training and business services.	Participating states in the WIA-Plus option "will submit a single State Integration Plan and will report through a single system. Program-specific requirements will be minimized. However, drops in participant levels for targeted populations such as individuals with disabilities will

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Current Law Workforce Investment Act of 1998	H.R. 27 (as passed by House on 3/2/05) Job Training Improvement Act of 2005	S. 9 (as introduced) The Lifelong Education Opportunities Act of 2005	Administration's WIA-Plus Consolidated Grant Program Proposal*
<p>Negotiation of Performance Levels: States must negotiate levels for performance measures for three years and then for two years, "taking into account" economic conditions and characteristics of participants.</p>	<p>Requires states to set performance levels for two years—in line with duration of state plans. Negotiations must adjust (not simply take into account) core measures to reflect economic conditions and participant characteristics.</p>	<p>Requires states to set performance levels for the first two years and then address years 3 and 4. Negotiations must adjust (using objective statistical methods) core measures to reflect economic conditions and participant characteristics.</p> <p>Requires Secretary to establish long-term national performance goals for core indicators in consultation with states and other parties.</p>	<p>not be allowable."</p> <p>States that choose the WIA-Plus option would be responsible for meeting "increasingly rigorous performance standards each year, leading to a goal in the 10th year that they place in employment 100 percent of the workers trained with grant resources. As part of their State Integration Plan, states will be required to develop benchmarks to track annual yearly progress towards that goal."</p>
<p>State Incentives and Sanctions: Incentive grants and sanctions are doled out to states and local areas. Incentive grants are awarded to states for performance that exceeds expectations for Title I, Title II (adult education) and vocational education.</p>	<p>Ties award of incentive grants to performance in WIA adult and youth activities, decoupling incentives from performance in adult and vocational education. Also turns requirement for Secretary to issue incentive awards to a mere authorization.</p>	<p>Similar to current law, but broadens the basis of incentives to include exemplary performance in serving hard-to-serve groups, effective coordination, effective use of business strategies and other factors.</p> <p>Clarifies that states may face reduced grant amounts if performance falls below 80 percent of the adjusted and negotiated level of performance for 2 consecutive</p>	<p>"Meaningful incentive and sanction policies will be applied."</p>

Current Law Workforce Investment Act of 1998	H.R. 27 (as passed by House on 3/2/05) Job Training Improvement Act of 2005	S. 9 (as introduced) The Lifelong Education Opportunities Act of 2005	Administration's WIA-Plus Consolidated Grant Program Proposal*
		years.	
Administrative, Miscellaneous and New Provisions			
State Flexibility: States may request general waivers of any statutory or regulatory requirements in Title I-B with a number of exceptions (wage and labor standards etc.) and any of the statutory and regulatory requirements of the Wagner-Peyser Act with a number of exceptions. States may also pursue workforce flexibility plans that allow waivers of certain provisions of WIA, Wagner-Peyser Act and Older Americans Act.	Allows Secretary to establish an expedited process for extending waivers granted to one state to additional states. Retains workflex provisions.	Similar to House, though language on expedited waiver is less explicit. Excludes requirements for funding of one-stop infrastructure costs from waiver authority.	Not specifically addressed in proposal, although consolidated funding stream and WIA-Plus option would likely reduce the need for certain waivers.
Low-Income Definition: The definition of low-income individual allows states and local grantees to use either the poverty line or 70 percent of the lower living standard income level to determine low-income eligibility.	Eliminates the lower living standard income level as a benchmark for determining low-income eligibility, leaving the poverty line as the sole benchmark.	Same as current law.	Not Addressed in Proposal.
Prohibitions: Prohibits use of WIA Title I funds for "employment generating activities, economic development activities, investment in revolving loan funds...and similar activities that are not directly related to training for eligible individuals under this title."	Repeals current prohibition on using WIA Title I funds. Prohibits use of WIA funds to establish stand-alone, fee-for-service enterprises that compete with private sector employment agencies. This prohibition does not apply to one-stop centers.	Repeals only the current prohibition on using WIA Title I funds for economic development activities, leaving other prohibitions in place. No such provision.	Not Addressed in Proposal.

Current Law Workforce Investment Act of 1998	H.R. 27 (as passed by House on 3/2/05) Job Training Improvement Act of 2005	S. 9 (as introduced) The Lifelong Education Opportunities Act of 2005	Administration's WIA-Plus Consolidated Grant Program Proposal*
<p>Administrative/Other: The youth program year begins on April 1 and the adult and dislocated program years begin on July 1.</p> <p>Prohibits WIA funded organizations from discriminating in employment on the basis of religion, race, color, etc.</p>	<p>Aligns youth program year with adult program year—both to be July 1.</p> <p>Exempts religious organizations from prohibition on discriminating in employment on the basis of religion.</p> <p><i>Defines Administrative Costs as “expenditures incurred by State and local workforce investment boards, direct recipients (including State grant recipients under subtitle B and recipients of awards under subtitle D), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under this title which are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and non-personnel and both direct and indirect.”</i></p>	<p>Same as current law.</p> <p>No such provision.</p>	<p>Not specifically addressed in proposal, although consolidated funding stream would likely address the alignment of program years.</p>

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Personal Reemployment Accounts: No provision in current law, although the Secretary has used her discretionary authority to award 7 states with pilot PRA grants.	Includes authority under the pilots and demonstration section for the Secretary to award grants to states and local areas to offer PRAs to unemployed workers. The language is the same as H.R. 26 which was introduced by Rep. Jon Porter (R-NV).	No provision in Senate bill.	Not specifically addressed in proposal, although proposed Innovation Training Accounts are similar in concept to PRAs.
Community Based Job Training Grants: No provision in current law.	<i>Includes language that allows the Secretary of Labor to establish and implement the Community-Based Job Training Grants Demonstration Program. Community Colleges are the only eligible entities and in order to be eligible to receive a grant (which is competitive), they must work with the local workforce investment system and a business or businesses in a qualified industry or an industry association in a qualified industry. Grants awarded under this subsection may be used for— (A) the development, by a community college, in consultation with representatives of qualified industries, of rigorous training</i>	No provision in Senate bill.	Proposes to conduct a competitive Solicitation for Grant Applications. The \$248 million appropriated in FY 2005 for Community-Based Job Training Grants will begin to be available July 1, 2005.

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	and education programs related to employment in a qualified industry identified in the eligible entity's application; (B) training of adults and dislocated workers in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity's application; (C) disseminating to adults and dislocated workers, through the one-stop delivery system, information on high-growth, high-demand occupations in qualified industries; (D) placing, through the one-stop delivery system, trained individuals into employment in qualified industries; and, (E) increasing the integration of community colleges with activities of businesses and the one-stop delivery system to meet the training needs for qualified industries.		
Demonstration, Pilot, Multiservice, Research, and Multistate Projects: Same.	Similar to current law but also includes language that recommends projects that assist national employers in	Includes several recommended projects and research to assist national employers in connecting with the workforce investment	Not Addressed in Proposal.

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	<p><i>connecting with the workforce investment system in order to facilitate the recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand; projects that promote the development of systems that will improve the effectiveness and efficiency of programs; projects that focus on opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth, including those relating to information technology; projects carried out by States and local areas to test innovative approaches to delivering employment-related services; projects that provide retention grants to qualified job training programs upon placement or retention of a low-income individual trained by that program in employment with a single employer for a period of 1 year, provided that such employment is providing to the low-income individual an income not less than twice the</i></p>	<p>system and to facilitate the recruitment and employment of needed workers for career ladder jobs and to provide information to such system on skills and occupations in demand. Also requires Secretary of Labor to establish and carryout no more than 10 pilot projects to establish a system of industry-validated national certifications of skills.</p>	

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	<p><i>poverty line for that individual; projects that focus on opportunities for employment in industries and sectors of industries that are being transformed by technology and innovation requiring new knowledge or skill sets for workers, including advanced manufacturing; and, projects carried out by States and local areas to assist adults or out of school youth in starting a small business, including training and assistance in business or financial management or in developing other skills necessary to operate a business.</i></p> <p><i>Also includes language that allows the Secretary of Labor to establish a demonstration program for the training and placement of "real time writers" in order to meet the requirements for closed captioning of video programming.</i></p> <p><i>The Secretary of Labor may also establish a demonstration program for and may make up</i></p>		

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to 10 competitive grants per year to eligible entities to expand local sector-focused training and workforce development in high growth, high wage industry sectors in one or more regions of particular States. Eligible entities include a business or business partnership, including associations of single or related industry employers and employee representatives, consortia of such employers, employee representatives, and workforce development community-based organizations, and higher education institutions.

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Washington State Workforce Training and Education Coordinating Board
Minutes of Meeting No. 101
January 27, 2005

Mr. David Harrison called the Workforce Training and Education Coordinating Board (Workforce Board) meeting to order at 8:53 AM. at the South Puget Sound Community College, Percival Room, Olympia, Washington. The following board members were present:

David Harrison, Workforce Board Chair
Beth Thew, Labor Representative
Julianne Hanner, Business Representative
Asbury Lockett, Business Representative
Jim Crabbe (Alternate for Earl Hale), State Board for Community and Technical Colleges (SBCTC)
Tony Lee, Targeted Populations
Rick Bender, Labor Representative
John McGinnis, Labor Representative
Kyra Kester (Alternate for Terry Bergeson), Office of Superintendent of Public Instruction (OSPI)
Sylvia Mundy, Employment Security Department, (ESD)
Ellen O'Brien Saunders, Executive Director

Welcome and Introductions

Mr. David Harrison welcomed the Board and guests and introductions were made. Mr. Harrison recognized, John Loyle, acting director of the Pacific Mountain Workforce Development Council (WDC) and Dr. Jill Wakefield, president of the South Seattle Community College, and encouraged their participation.

Chair's Report

Mr. Harrison discussed the meeting with Representative Kagi and her interest in the Grays Harbor WorkSource Center. There will more on this topic later. Mr. Harrison also acknowledged a letter from Steve Frazier providing the WDCs directors' view on the Workforce Investment Act (WIA) 10 percent funds. Mr. Harrison welcomed their input. Mr. Wes Pruitt provided the Board with a legislative update. Mr. Harrison requested that staff provide a legislative report to the Board on a weekly basis. Ms. Pam Lund informed the Board on the WDC Chairs meeting, and stated that a side-by-side comparison chart would be shared with the Board. Finally Mr. Harrison commented on the Workforce Strategies evaluation, stating it was an intellectual center and congratulated staff.

Executive Director's Report

Ms. Ellen O'Brien Saunders discussed the Governor's priorities: economic development, healthcare, and Government Management Accountability and Performance (GMAP). The Governor's budget is due out on February 21, 2005. There have been several staff changes with

some of Governor Locke's staff staying on. Ms. Laurie Dolan is the new Policy Director and Mr. Harrison, Ms. Thew, and Ms O'Brien Saunders have already had an opportunity to meet with her. Mr. Walt Wong provided the Board with an overview of Civil Service Reform activities. Ms. O'Brien Saunders shared information on federal legislation, including work needed to respond to the Department of Labor's planning guidelines for WIA. Mr. Rick Bender noted concerns about domestic budget cuts.

Minutes of Board Meeting No. 101, November 18, 2005

Mr. Harrison presented the minutes from the November 18, 2005, meeting. Ms. Sylvia Mundy had questions regarding the information on MDRC. Ms. Thew wanted clarification on the Information Performance Project (IPI) and who was funding the project. The minutes will be corrected to show that the Department of Labor is funding the project.

Motion 05-101-01

A motion was made by Ms. Mundy and seconded by Mr. Asbury Lockett that the minutes of November 18, 2005, meeting be approved. The motion passed.

Mr. Harrison recognized Ms. Mary Reister for her considerable service to the Board and the Workforce staff. Among other comments Ms. O'Brien Saunders stated that Ms. Reister is a remarkable person. Ms. Reister thanked everyone for being supportive.

Federal Legislative Changes: Board's Role and Process

Mr. Bryan Wilson summarized action for the Board on reauthorization of the federal acts. Mr. Harrison noted that WIA may become closer to a block grant. Mr. Bender added that with more flexibility, there normally is less money. Mr. Wilson agreed that was a concern. Mr. Wilson indicated that the grandfathering of our Board structure is different in each of the House and Senate Bills. He also stated that Senator Patty Murray is working on this on this issue.

Motion 05-101-02

Mr. Bender moved to adopt the recommended motion describing a process for responding to the reauthorization of WIA. Ms. Julianne Hanner seconded. The motion passed.

Integrated Performance Information Project

Mr. Wilson shared information about the IPI trip to Washington D.C. with Ms. O'Brien Saunders and Mr. Mike Hudson. They met with business, labor, and advocacy leaders to get additional feedback on the IPI project. The timing of this project with federal reauthorization is good. Mr. John McGinnis inquired about the participating states. The original six are Washington, Texas, Montana, Oregon, Florida, and Michigan. The IPI blueprint will be shared with Congress, Department of Labor, and the Department of Education. Mr. Wilson summarized the recommended performance measures.

Motion 05-101-03

Mr. McGinnis moved to support the IPI Blueprint at the national level. Mr. Asbury Lockett seconded. The motion passed.

Updating the Local Area Strategic Plans for the Workforce Development Councils

Ms. Pam Lund updated the Board on the status of the WDC Strategic Plans. This updating process takes place every two years. Staff have been working with the WDCs to develop a timeline with increased flexibility. Mr. Loyle said that this has been very workable. Ms. O'Brien Saunders added that Representative Kagi's bill would require the WDCs to speak to WorkFirst when developing the plan. She is looking for better local integration. Ms. Sylvia Mundy noted that there is already some integration in One-Stops. The Employment Security Department met with Representative Kagi over a year ago. Mr. Harrison noted that we would revisit these guidelines in March and asked that copies of the ESD paper be made available to the Board.

Motion 05-101-04

Ms. Thew moved to accept the review of the local WDCs strategic plans in coordination with the state's unified plan and make recommendation to the Governor. The motion was seconded by Ms. Mundy. The motion passed.

Employer Customer Satisfaction Results

Mr. Wilson described the two measures of customer satisfaction among the federally required performance measures for WIA. They are employer and participant satisfaction based on survey responses to three required satisfaction questions. The targets were met this year, but will be harder next year because the target for employer satisfaction goes up. Ms. Mehrnaz Jamzadeh is trying to find patterns associated with higher results. Ms. Mundy thanked Ms. O'Brien Saunders and Ms. Jamzadeh for the collaborative effort with Mr. Nelson Myers and ESD. Mr. Harrison noted that the Board would revisit this topic later at the Board retreat.

Report of the Health Care Personnel Shortage Task Force

Ms. Madeleine Thompson gave the progress report of the Health Care Personnel Shortage Task Force activities. The Task Force began in 2001 with extensive work taking place in 2002. Legislation passed in 2003 required the Task Force to provide an annual progress report. Mr. Crabbe commended Ms. Thompson on her work with the Task Force and health care issues.

The Workforce Board meeting adjourned at 12:02 PM.

Joint Meeting with the Higher Education Coordinating Board

Mr. David Harrison moderated a joint meeting with the Higher Education Coordinating Board (HECB). Members of the Board and HECB staff met as a group at the State Investment Board to discuss the common concerns of both agencies and ways to enhance each others interests. Mr. James Sulton and Ms. Ellen O'Brien Saunders provided an overview of the roles and activities of each agency. Mr. Rick Bender raised the concerns over vocational students being treated like second-class citizens. The Boards agreed that the goal of both agencies is to help students succeed. In response to members' concerns about student decisions and engagement with the K-12 system, Ms. Kyra Kester discussed the importance of student guidance and described the Franklin Pierce Model. More in-depth information will be forwarded to HECB. Mr. Bob Craves asked the Workforce Board to support a budget request to develop a statewide data system that would enhance student transfer planning.

Mr. Harrison summarized the key points of the joint meeting.

- Better joint messaging on how to define success
- Identify an integrated process for sharing
- Work on the applied baccalaureate degree process
- Improve the student guidance process
- Work on securing more funding
- Emphasis on articulation and other common interest issues between Boards

The joint meeting adjourned at 3:00 PM.

Ellen O'Brien Saunders, Secretary



**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

2005-2007 STATE PLAN FOR WIA TITLE I-B AND WAGNER-PEYSER

In March 2000, former Governor Gary Locke accepted the recommendation of the Workforce Training and Education Coordinating Board (Workforce Board), and approved Washington State's 2000-2005 Workforce Investment Act (WIA) Title I-B and WIA Title III Wagner-Peyser State Plan. The Secretary of the U.S. Department of Labor (DOL) approved the 2000-2005 plan in June 2000. This current plan expires on June 30, 2005.

On January 21, 2005, DOL issued planning guidance No. 14-04 directing states to prepare a 2005-2010 State Plan for WIA Title I-B and the Wagner-Peyser Act. The instructions ask that states respond to 175 governance, policy, and service delivery questions, and 17 assurance statements. The plan must be signed by the Governor and submitted to DOL by May 31, 2005.

Staff of the Employment Security Department and the Workforce Board are assembling a draft of the plan with a goal of releasing the draft plan for public review and comment on April 1, 2005. The draft plan will include the proposed federal WIA performance targets for years 6 and 7.

It is the role of the Workforce Board to recommend to the Governor approval of the State Plan for WIA Title I-B and Wagner-Peyser. The Workforce Board will take action on the State Plan at its May 12, 2005, Board meeting.

Board Agendas 2005

-Draft-

May 12, 2005

- Review of impact of legislative session
- Action on 10% funds policy/advice
- Action on 503 Incentive policy/advice
- Endorse plans for America's Career Resource Network resources
- Review Board's operating budget 2005-06
- Action on skill panel issues (possible)
- Review Perkins funds proposed distribution
- Discuss federal policy issues (WIA titles, Perkins, etc.)
- Action on Adult Education and Family Literacy Two Year Plan
- Action on Workforce Investment Two-Year Plan

July 6, 2005

- Pre-meeting dinner with private career schools

July 7, 2005

- Action on Board's operating budget
- Action on Perkins funds distribution
- Update on Work Readiness Credential
- Action on skill panel issues (if not in May)
- Board retreat planning
- Discuss any local strategic plan issues
- Discuss new method for system assessment
- Discuss federal policy issues
- WorkFirst results using state measures (May?—should be done before the retreat)

July 27 & 28, 2005 - Retreat

- Workforce Development – Key Measures in HSHW; Balanced Scorecard

September 21, 2005

- Board Dinner

September 22, 2005

- Legislative agenda: agency request bills; budget issues

- Result of Perkins audit (?)
- Workforce Strategies 2005 – final program
- Drop Out Initiative – progress report?
- Federal Policy Issues

November 16, 2005

- Board Dinner

November 17, 2005

- Debrief Workforce Strategies 2005
- Assess progress on six Strategic Opportunities
- Federal Policy Issues

Interagency Committee
February 10, 2005
Meeting Notes

Attending: Debbie Cook, Department of Services for the Blind; Randy Loomans, Washington State Labor Council; Jennifer Thornton, State Board for Community and Technical Colleges; Kathy DiJulio, Janet Bloom, and Gary Kamimura, Employment Security Department; Steve Frazier, Washington Workforce Association; Linda Broderick, Washington Federation of Private Career Schools and Colleges; Liz Smith, Labor and Industries, Apprenticeship; and Walt Wong, Bryan Wilson, Pam Lund, and Ellen O'Brien Saunders, Workforce Training and Education Coordinating Board

There were two items on the agenda: potential impacts of the president's budget and the agenda for the March 31, 2005, Board meeting.

President Bush's Budget for FY 2006

Members of the Interagency Committee came prepared to discuss their views of the budget proposal from the standpoint of their specific programs. This discussion allowed all to learn of the potential impacts across the workforce development system. The budget combines some severe and some small cuts, some small additions, and policy changes which, when combined, would have significant impact on programs and services in Washington State. That is, some of the budgets (WIA Title I, for example) have relative small overall cuts (5.4 percent) compared to adult education for which the president proposed a cut of +/- 50%; the impact of the assumed policy changes multiplies their impact. For example, the budget includes the assumption that funding streams for WIA that Employment Service, and Adult and Dislocated Workers and Youth would be consolidated. The proposal to zero out the federal funds for career and technical education (i.e. Perkins, at about \$25m/year here in Washington State) and to shift them to reform high schools is not new but is certainly dramatic. The Vocational Rehabilitation community is particularly concerned about a cluster of changes: cut in assistive technology which has supported advice to WorkSource Centers as well as technology for them; reauthorization of IDEA; questions about program performance; proposals to close regional offices; and changes in national leadership.

The members discussed how these pieces were being marketed and all indicated that they needed to do more analysis—both of the content of the proposals, and of their political chances for success.

March 31, 2005, Board Meeting Agenda

- Update on 2005 Legislative Session.
- Skill Panels (progress, policy discussion for 2005, planning in event of state funding).
- Work Readiness Credential – progress report. (Might be moved to May)
- Adult Education and Family Literacy Plan – Board will discuss the update to the plan.
- WIA Two Year Plan – Board will review the plan in which there are no policy changes anticipated. We'll wait until reauthorization to spend our planning resources.
- Section 503 Incentive Award policy – first discussion.
- Guidelines for WDC Strategic Plans – act on any amendment needed to accommodate closer integration of WorkFirst and WorkSource services. (Representative Kagi's SHB 1833).
- College Admissions Standards – We are staffing up this issue for Board action.
- Governor's 10 percent - first discussion; action in May.
- Federal Budget Impacts – go on record?
- Eligible Provider List – discuss any policy changes for next year. Bryan indicated that staff will not be bringing any changes forward and asked IC members to let him know if they had any issues the Board needs to address.

Interagency Committee
March 11, 2005
Meeting Notes

Attending: Debbie Cook, Department of Services for the Blind; Jim Crabbe, and Brian Kanes, State Board for Community and Technical Colleges; Kathy DiJulio, Employment Security Department; Steve Frazier, Washington Workforce Association; Linda Broderick, Washington Federation of Private Career Schools and Colleges; Liz Smith, Labor and Industries, Apprenticeship; Patti Stoneman-Lowe, Department of Social and Health Services, Division of Vocational Rehabilitation; and Walt Wong, Bryan Wilson, Pam Lund, Martin McCallum and Ellen O'Brien Saunders, Workforce Training and Education Coordinating Board.

There were three agenda items: State and Federal legislative development updates; March 31, 2005, Board meeting agenda review; and Workforce Strategies Conference 2005.

Round Robin on State and Federal Legislative Development Updates:

The Senate passed S 250 99-0 (Carl D. Perkins Career and Technical Education Improvement Act of 2005). This vote provides a strong position for the Senate in conference. The House Education and Workforce Committee passed H 366, its version of Perkins reauthorization. As for differences, the Senate maintains a separate title for Tech Prep and state administration at 5 percent; the House folds Tech Prep into the basic program and cuts state administration to 2 percent (while increasing the work required in the accountability section).

HCR 4404 (Prime Rep Gutierrez-Kenney) to adopt *High Skills, High Wages* as state policy has passed the House. The companion (SCR 8406 prime sponsor Sen. Jeanne Kohl-Welles) will be heard March 17.

SHB 1708 is moving along. It is a drop-out prevention bill that incorporates the Board's policy positions.

Patti Stoneman-Lowe distributed a section-by-section analysis of HR 27 by Bobby Silverstein of the Center for the Study and Advancement of Disability Policy to the group and noted the continued concern in the disability community over policy proposals, cuts, and other initiatives of the administration

Board Meeting Agenda Review

The Committee reviewed the agenda for the March 31, 2005, Board meeting, including draft issue papers being developed for the Board's consideration. (1) Local Area Plans (operating and strategic): discussion included importance of defining "integration" as well as the roles of state partners in WorkSource/WorkFirst planning. (2) Policy for Use of Section 503 Incentive Funding: Group reviewed the 2003 process, Kathy DiJulio and Steve Frazier noting that these partnerships are complex, and others recalling the Board's decisions with regard to multi-partner focus on health care. (3) Governor's Workforce Investment Act (WIA) 10 percent: Bryan reviewed the draft noting that Governor Gregoire had not yet had a chance to focus on these funds and how she'd like to invest them. This conversation is early and preliminary, and provides an opportunity to refresh Board members of the current uses of the funds and the potential uses. (4) Eligible Training Provider List: Bryan shared the draft paper which will not recommend policy changes for 2005-2006 except for increases in wage levels to keep up with inflation. (5) Higher Education Coordinating Board's proposal for minimum standards for entrance to four-year institutions: Bryan noted that the paper was about done and would be forwarded to the IC members that day for their feedback. (6) Targets for WIA years 6 and 7 were shared; these will need to be included in the state's WIA plan later in the spring. Other topics for the meeting will include: the draft State Plan for Adult and Family Literacy, and an Industry Skill Panels issue paper.

Workforce Strategies 2005

We did not get to this item.

TAB 2

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

**LOCAL AREA WIA TITLE I-B PLANS AND LOCAL AREA STRATEGIC PLANS
FOR THE WORKFORCE DEVELOPMENT SYSTEM**

Executive Order 99-02 directs Washington State Workforce Development Councils (WDCs), in partnership with Chief Local Elected Officials (CLEOs), to develop and maintain a Local Unified Plan. The Local Unified Plan includes a Workforce Investment Act (WIA) Title I-B Operations Plan and a Strategic Plan for the workforce development system.

On January 27, 2005, the Workforce Training and Education Coordinating Board (Workforce Board) approved guidelines that WDCs will use to develop 2005-2007 Local Area Strategic Plans. The guidelines were mailed to the WDC Directors on February 3, 2005.

Policy makers in recent months have been giving heightened attention to the importance of having local area WorkSource service delivery structures include WorkFirst as a full partner in cross-program planning and coordination. Service integration of Temporary Assistance for Needy Families (TANF) programs, with other programs in the WorkSource Career Development Center partnership, are emphasized in WIA reauthorization bills. H.R. 27 and S. 9 point to Congress' intent to no longer have TANF's role be optional in One-Stop (WorkFirst is a required One-Stop partner in Washington State). Our state's legislators are currently discussing job training and job placement service integration. Proposed House Bill 1833 calls for greater integration of WorkFirst and WIA in cross-program planning and services at the regional level.

The guidelines for developing 2005-2007 Local Area Strategic Plans, approved by the Board on January 27, 2005, did not specifically include instructions requesting that Local Strategic Plans describe the commitment of local workforce development stakeholders to increase WorkFirst and WIA Title I-B service integration. It is not too late to add a new element to the Board's instructions. The target date for WDCs to deliver draft plans to the Board is June 30, 2005.

Board Action Required: Adoption of the Recommended Motion.

RECOMMENDED BOARD PROCESS FOR REVIEWING LOCAL AREA PLANS

As described above, the 12 WDCs, in consultation with CLEOs, are currently developing two-year Local Area Strategic Plans for the workforce development system. During the first half of 2005, WDCs are also updating their area's WIA Title I-B Operations Plans. These 24 plans will be submitted in draft to the Employment Security Department (ESD) and to the Workforce Board on June 30, 2005. Final plans are due to the state on August 19, 2005.

It is the role of the Board to recommend plan approval to the Governor.

It is proposed that the Board employ the following plan review process:

That the Board delegate the review of the Local Area Strategic Plans to Workforce Board staff and delegate the review of Local Area WIA Operation Plans to Workforce Board staff and staff of ESD. Agency staff are expected to work closely with the WDCs to identify and resolve any issues that would cause a plan to not be ready for approval. Any significant policy identified in a local plan that can not be resolved, while the plan is in draft, will be taken up by the Board at its July 7, 2005, meeting. On September 22, 2005, the Board will expect staff to highlight key strategies in the plans and present their recommendations for approval. The Board will take action on September 22, 2005, to recommend plan approval to the Governor. Governor approval letters to CLEOs would follow in October 2005.

Congress is expected to reauthorize WIA in 2005. This action will trigger requirements for local area WDCs to write new WIA Title I-B Operations Plans for the year beginning July 1, 2006. The opportunity of the Board to engage in discussions with the WDCs and other workforce development stakeholders may be just months away. The Board's review of local plans to implement a reauthorized WIA will be an in-depth review.

Board Action Required: Adoption of the Recommended Motion.

RECOMMENDED MOTIONS

WHEREAS, Executive Order 99-02 directs the Workforce Development Councils, in partnership with Chief Local Elected Officials, to develop and maintain a strategic plan that assesses local employment opportunities and skill needs; the present and future workforce; the current workforce development system; and goals, objectives, and strategies for the local workforce development system; and

WHEREAS, Local Area Strategic Plans for Workforce Development will expire on June 30, 2005; and

WHEREAS, The Workforce Training and Education Coordinating Board, on behalf of the Governor, is responsible for issuing state guidelines to the Chief Local Elected Officials and to the Workforce Development Councils on developing the Local Area Strategic Plan for Workforce Development; and

WHEREAS, Service integration increases the efficiency and effectiveness of job training and placement services for recipients of the WorkFirst program and other individuals seeking jobs; and

WHEREAS, Service integration requires collaboration and support by state and local agencies;

NOW, THEREFORE, BE IT RESOLVED THAT, The Workforce Training and Education Coordinating Board add the following clause to its guidelines for developing 2005-2007 Local Strategic Plans for the workforce development system:

The strategic plan should describe goals, objectives, and strategies that workforce development system stakeholders plan to implement during the next two years, and beyond, to increase WorkFirst and WorkSource partner program service integration.

WHEREAS, The Workforce Training and Education Coordinating Board, in consultation with the Employment Security Department, is responsible for recommending Governor approval of Local Area Unified Plans for the workforce development system; and

WHEREAS, Board members should establish a process on how to manage its review of local area WIA Title I-B and local area Strategic Plans for the workforce development system;

THEREFORE BE IT FURTHER RESOLVED, That the Workforce Training and Education Coordinating Board approve the proposed plan review and approval process described on Page 2 under this Tab.

TAB 3

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

SECTION 503 INCENTIVE GRANT

Washington may be eligible to receive a Workforce Investment Act (WIA) Section 503 incentive grant for exceeding the performance targets last year for each of WIA Title I, Perkins, and WIA Title II (Adult Education and Family Literacy). In anticipation, the March meeting presents an opportunity for the Board to discuss options for how the state would invest a Section 503 award should we receive one. Board action will occur at the May meeting. Washington previously received a Section 503 grant in 2003. At that time the award was for \$3 million. We do not know the size of this year's awards.

This tab presents background material for the Board's discussion.

Board Action Required: None. For informational purposes only.

SECTION 503 INCENTIVE GRANT

The accountability chapter of *High Skills, High Wages: Washington's Strategic Plan for Workforce Development*, describes the general process that Washington follows when the state receives a Workforce Investment Act (WIA) Section 503 award.

When Washington State receives such an incentive award, the state allocates the funds to local areas that exceeded their expected level of performance in these programs, including performance on the state core indicators, as well as on the federal core indicators. The Workforce Training and Education Coordinating Board (Workforce Board) identifies the size of the award for each year, and ESD allocates the funds. The funds must be used for system building activities, not activities that pertain only to a particular program, i.e., WIA Title I-B, Adult Education and Family Literacy, or Career and Technical Education.

In 2003, the Board decided that the funds should be focused on addressing a particular issue, in order to maximize the effect of the investment. The Board directed that the funds be invested in activities that addressed **the shortage of health care workers**. Attachment C describes the types of health care projects selected by local workforce and education partners. These projects started in December 2003, and will end on June 30, 2005.

Attachment A is the state's 2003 application which describes, among other things:

- Assurances that the state met the federal requirements.
- State agency responsibilities.
- The local application process for accessing the funds and the state process for reviewing local applications.
- The activities that would be funded.

Questions that the Board may wish to discuss at the March meeting include:

Does the Board want to make any changes to the local application process or the state review process from those used in 2003?

Are there activities that the Board wants to focus the money on for 2005?

Possible areas of focus include:

Sectoral strategies, especially in high demand sectors.

Activities identified by Skill Panels.

Activities that improve the pipeline from K-12 and from Adults with low levels of functional literacy in English.

Another decision that would have to be made is the formula for distributing the award among local areas. Attachment B shows the 2003 distribution and describes how the Board arrived at that distribution.

In 2003, the Board decided to base the local distribution equally on relative performance and relative size. The Board indicated, however, that the distribution “was adopted with the understanding that there will be (1) clear communication to the system that the Board intends to increase the percentage of distribution based on performance; (2) the Board will determine future formula split later” (July 31, 2003, minutes). Staff subsequently indicated in an August 4, 2003, memo to Workforce Development Council directors that, “Board members noted that in the future, if the state receives a 503 incentive grant, the Board expects to use a distribution formula that places a greater weight on performance.”

A question that the Board will have to decide, should the state receive a Section 503 incentive grant, is:

In distributing funds among local areas how much greater weight should be placed on performance compared to the size of the local area?

The March meeting is an opportunity for the Board to discuss this question. Prior to Board action on the distribution, staff will develop tables showing the distribution that results from options the Board might want to consider.

ATTACHMENT A

June 27, 2003

Ms. Emily Stover DeRocco
Assistant Secretary for Employment and Training
U.S. Department of Labor
200 Constitution Avenue, NW, Room N5306
Washington, DC 20210

Dear Ms. DeRocco:

Please accept Washington State's application for Workforce Investment Act (WIA) Section 503 Incentive Grant funds. The Workforce Training and Education Coordinating Board (WTECB) and the Employment Security Department (fiscal agent) submit this application on behalf of Governor Gary Locke, Washington State's workforce development operating agencies, and the local area Workforce Development Councils (WDCs). Washington is eligible for \$3 million in Section 503 Grant funds as a result of exceeding PY 2001 performance for programs authorized under Title I-B of the Workforce Investment Act (WIA), the Adult Education and Family Literacy Act (AEFLA), and the Carl D. Perkins Vocational and Technical Education Act. The application includes four parts:

- Assurances and Grant Information
- Project description and local application process
- Application For Federal Assistance Standard Form 424
- Budget Information Standard Form 424A

Washington State will expend Section 503 grant funds for activities authorized under WIA Title I-B, AEFLA, and Perkins Act. Activities will: (1) be targeted to the needs of those served under the Acts, (2) be structured to promote collaboration among the state and local agencies administering the three federal programs, and (3) be innovative, comprehensive, coordinated, and targeted to improving system performance. Please let us know if you have any questions.

Sincerely,

Ellen O'Brien Saunders
Executive Director
Workforce Training and Education
Coordination Board

Sylvia P. Mundy
Commissioner
Employment Security Department

Enclosures

cc: Office of the Governor
Earl Hale, Executive Director, State Board for Community & Technical Colleges
Armando Quiroz, Regional DOL Administrator, Region VI
Ed Leslie, Seattle DOL

Washington State
Section 503 Incentive Grant Application

A. Assurances

1. Consultation with the state legislature.

The Washington State Legislature has been consulted. The Executive Director of the State Workforce Investment Board has contacted the chairs of the relevant State House and Senate committees with respect to the development of the application.

2. Approval by Governor, the eligible agency for adult education, and the Perkins sole state agency.

The Governor has approved the application. The State Board for Community and Technical Colleges (SBCTC), the eligible agency for adult education as defined in section 203(4) of Workforce Investment Act (WIA), has approved the application. The Workforce Training and Education Coordinating Board (WTECB), the agency responsible for vocational and technical education programs as defined in section 3(9) of the Carl D. Perkins Vocational and Applied Technology Education Act has approved the application.

3. Exceeding PY 2001 Performance.

Washington State exceeded PY 2001 state adjusted levels of performance for WIA Title I-B, the state adjusted levels of performance for AEFLA, and the performance levels established for Perkins Act programs.

B. Additional Grant Information

1. **Responsible Agencies**

High Skills, High Wages: Washington's Strategic Plan for Workforce Development is the strategic plan portion of the State Unified Plan approved by the U.S. Departments of Labor and Education in June 2000. The accountability chapter of *High Skills, High Wages* describes the general process that Washington would follow should the state receive such an incentive award.

If Washington State receives such an incentive award, the Workforce Board will allocate the funds to local areas that exceeded their expected level of performance in these programs. Washington will use the same 100 percent formula for determining whether or not areas have exceeded their expected levels of performance, except that we will include performance on the state core indicators, as well as the federal core indicators.

The state plan, therefore, sets certain parameters for the allocation process and use of the funds. WTECB is to be the agency that allocates the funds and the local Workforce Development Areas that have exceeded their performance targets may receive the funds.

As the State Administrative agency for WIA Title I-B, the Employment Security Department (ESD) will serve as the fiscal agent and will administer the funds based upon the allocations identified by WTECB. ESD will fulfill federal reporting requirements on the use of all Section 503 funds.

At this time, WTECB is still collecting and analyzing data to determine the Workforce Development Areas that exceeded the performance targets for the three programs (WIA Title I-B, AEFLA, and the Perkins Act). WTECB is also still analyzing options for determining the amount of funds to be allocated to each of the eligible areas. WTECB will establish the exact formulas for determining area eligibility and size of award during the first quarter of PY 2003.

Local Application Process

The Workforce Development Council (the local Workforce Investment Board authorized under WIA) will serve as the fiscal agent for eligible Workforce Development Areas and submit the area application for an award to WTECB.

The area application must demonstrate the involvement and agreement of Community and Technical College Presidents, Common School Superintendents, and the Workforce Development Council in the area. Presidents, superintendents, and the council—or their designees—must be involved in the development of the application and presidents, superintendents, and the council must approve the application. The exact number of each type of stakeholder is left to local discretion. The State Review Committee, however, will look for evidence of broad support and may reject an application that in the Committee's view does not demonstrate sufficiently broad support.

Applications received by WTECB will be reviewed and approved by a State Review Committee consisting of representatives of the below entities. A majority of the Committee members voting must approve an application in order for the application to be funded.

- 1 – Workforce Training and Education Coordinating Board (Chair of Committee)
- 1 – Employment Security Department
- 1 – Postsecondary Vocational-Technical Education
- 1 – Secondary Vocational-Technical Education
- 1 – Office of Adult Education and Literacy
- 1 – Washington Workforce Association
- 1 – Business
- 1 – Labor

2. Planned Activities

Washington State will use the Section 503 Grant funds for activities that are authorized under WIA Title I-B, AEFLA, and the Perkins Act. The services will build on, rather than duplicate, services offered under the three federal acts.

The State will encourage Workforce Development Areas to use the funds for activities that are:

Innovative: Services and activities beyond those the state conducts with its regular funds from these programs, particularly activities that are authorized through more than one program.

Comprehensive and coordinated: Combined activities and services that are authorized by different programs.

Targeted to the needs of those served under the Acts: Activities designed for individuals who have a variety of education and training needs and may be hard to serve.

Targeted to improving system performance: Activities that serve needs and populations that are likely to result in improving state systems of employment, training, and education.

In addition, the state will encourage Workforce Development Areas to plan activities that promote cooperation and collaboration among the local agencies administering WIA Title I-B, AEFLA, and Perkins Act programs. The state will also encourage applications from multiple Workforce Development Areas.

Based upon statewide data, WTECB has identified workforce development for health care occupations as the priority use of the funds. As stated in *Health Care Personnel Shortage: Crisis or Opportunity?* "Health care facilities across the state are operating with critical staff shortages even though Washington reports one of the highest unemployment rates in the country. Occupations with critical shortages include nurses, medical aides, dental hygienists, laboratory personnel, pharmacists, physicians, radiology technologists, billers and coders, among others."¹ These shortages present an opportunity for workforce development programs to prepare youth, disadvantaged adults, unemployed workers, underserved populations, and others for good paying jobs that in many cases are going vacant. By focusing on health care, Washington can use the Section 503 incentive award to make a substantial impact on a critical issue, rather than spread the award thinly dissipating its impact.

While addressing health care shortages, it is also possible to address other issues that are systemic to workforce development and that could benefit from innovative approaches. These other issues include:

¹ A Report of the Health Care Personnel Shortage Task Force, December 2002.

- Blending adult basic skills education with occupational skills training.
- Improving labor market outcomes for target populations (women, people of color, and people with disabilities).
- Improving career counseling and information on job openings.

Local applications are encouraged that address one or more of these three issues while addressing the shortage of health care personnel.

If an area determines based upon data that the shortage of health care personnel is not a priority issue for the area, the area may submit an application addressing another issue that requires systemic and innovative attention as evidenced by data and the Workforce Development Council Strategic Plan.

Legislative authority for the planned activities described above include:

- Vocational and technical skills training authorized under WIA Sec. 112, 118, and 134, and Perkins Sec. 122, 124, 134, and 135.
- Adult basic skills linked to occupational skills training as authorized under WIA Sec. 112, 118, and 134, Perkins Sec. 122, 124, 134, and 135, and AEFLA Sec. 212, 225, and 231.
- Core services, such as career counseling and information on job openings, as authorized under WIA Sec. 112, 118, and 134, and Perkins Sec. 122, 124, 134, and 135.
- Unified Plan section 501 of WIA.

3. Improving Performance

By focusing the planned activities on addressing the shortage of health care personnel and on systemic innovations, Washington expects to improve performance as measured by the core performance measures for the three acts.

Health care is currently the industry in the state with the largest number of job vacancies and the biggest gap between the number of students completing training each year and the number of net job openings. Focusing on health care, therefore, should increase employment rates of program participants. Health care occupations are also relatively well paying, and should improve outcomes as measured by the earnings indicators. Many of the occupations require the completion of credentials, and this should lead to improvements in measures of academic and credential attainment. One of the most promising strategies is to provide instruction that blends basic skills, including English as a second language, with occupational skills training. Such blended instruction could be provided to employees of health care employers that do not work in health care occupations, for example they may work in laundry or janitorial occupations. This strategy would increase literacy levels as well as earnings.

The focus on health care provides an opportunity to implement a variety of strategies that hold much promise for improving performance.

4. Consultation with Stakeholders

Following the notification of Section 503 Grant funds in May 13, 2003, WTECB organized special meetings of the Interagency Committee to discuss innovative and collaborative uses of the incentive funds. The Interagency Committee includes business and labor representatives and representatives of WTECB (Perkins sole state agency), Superintendent of Public Instruction (Perkins state sub-recipient), SBCTC (Perkins state sub-recipient and state AEFLA grant recipient), ESD (state WIA grant recipient) and the Washington Workforce Association (association of the 12 local area Workforce Development Councils). The Committee formulated a draft plan for developing the state application that was reviewed and approved by the WTECB at its public meeting on June 6, 2003. WTECB posted information on its website about the Section 503 Grant and proposed process for developing the state application.

After June 6, Interagency Committee representatives from the three programs, including the Workforce Development Councils, continued to meet to come to agreement on the proposed use of the funds and the local application process. The WTECB unanimously approved the state application at a special public meeting on June 23, 2003. WTECB's membership includes the Superintendent of Public Instruction, the Executive Director of SBCTC, the Commissioner of ESD, as well as business and labor representatives.

ATTACHMENT B

**WORKFORCE INVESTMENT ACT SECTION 503 INCENTIVE GRANT
2003 DISTRIBUTION OF FUNDS TO WORKFORCE DEVELOPMENT
AREAS**

Workforce Development Area	Award
Olympic	\$130,707
Pacific Mountain	\$228,812
Northwest	\$188,220
Snohomish County	\$243,155
Seattle-King County	\$551,747
Tacoma-Pierce County	\$327,413
Southwest	\$216,147
North Central	\$221,291
Tri-County	\$260,200
Eastern Washington	\$206,313
Benton-Franklin	\$150,866
Spokane	\$275,129

WORKFORCE INVESTMENT ACT SECTION 503 INCENTIVE GRANT DISTRIBUTION OF FUNDS TO WORKFORCE DEVELOPMENT AREAS

ANALYSIS

High Skills, High Wages establishes certain parameters for the distribution of a Workforce Investment Act (WIA) Section 503 incentive grant:

If Washington State receives such an incentive award, the Workforce Board will allocate the funds to local areas that exceeded their expected level of performance in these programs. Washington will use the same 100 percent formula for determining whether or not areas have exceeded their expected levels of performance, except that we will include performance on the state core indicators, as well as the federal core indicators.

While this language provides guidance, there are a number of specific options that are available to achieve this distribution of funds.

A. Eligibility Options

Each of the eligibility options uses the concept of average performance compared to targets. This is the method used by the Department of Labor. The following illustrates how averaging works in the hypothetical example of a program with three performance measures.

Measure	Target	Actual	Percent of Target
Earnings	\$10,000	\$8,000	80%
Employment	70%	80%	115%
Retention	80%	90%	113%
Average Performance			103%

In this example, the average performance would be 103 percent of targets.

1. Average performance across all three programs (WIA Title I-B, Perkins, Adult Education)

THIS IS THE RECOMMENDED OPTION

This option calculates the average (mean) performance for each of the three programs and then calculates the average (mean) of the three averages. If the average of the averages is 100 percent or above the Workforce Development Area would be eligible.

Number of Areas Eligible: 12

Number of Areas Not Eligible: 0

Statewide, the average performance across all three programs is 110 percent of the targets. The Area results range from 105 percent to 117 percent.

2. Average Performance for Each Program (WIA Title I-B, Perkins, Adult Education)

This option calculates the average (mean) performance for each of the three programs. If each of the three averages is 100 percent or above the Workforce Development Area (WDA) would be eligible.

Number of Areas Eligible: 9

Number of Areas Not Eligible: 3

One WDA did not achieve an average of 100 percent for Perkins and for Adult Education. One WDA did not achieve an average of 100 percent for Perkins. One WDA did not achieve an average of 100 percent for Adult Education.

3. **Average Performance for Each Funding Stream** (The five funding streams are: Vocational and Technical Education, Adult Education, WIA Youth, WIA Adults, WIA Dislocated Workers.)

This option calculates the average (mean) performance for each of the 5 funding streams. If each of the five averages is 100 percent or above, the WDA is eligible.

Number of Areas Eligible: 5

Number of Areas Not Eligible: 7

One Area did not achieve an average of 100 percent for Vocational and Technical Education and for Adult Education. Six WDAs did not achieve an average of 100 percent for one of the funding streams (one for Vocational and Technical Education, one for Adult Education, two for WIA Title I-B Youth, and two for WIA Title I-B Adults).

Analysis of the Three Options

Option 3 is the method used by federal agencies to determine state eligibility. Option 3 would, therefore, be most consistent with the language in "High Skills, High Wages," that the Workforce Board will use the same method as the federal agencies to determine local Area eligibility.

The Board, however, criticized the Department of Labor for deciding to break WIA Title I-B into three programs for the purpose of determining incentive awards. The Board argued that if incentive awards were available only if each of 5 funding streams reaches an average of 100 percent of targets, it would drive states to low ball performance targets. The Board proposed that the formula in option 2 be used instead. Option 2, therefore, is consistent with the approach the Board recommended to the federal agencies.

Another factor to consider is whether the quality of the data and measures warrants high stakes decisions on Area eligibility. For example, the Department of Education uses completion rate for four of the seven measures for secondary vocational education and three of the seven federal measures for postsecondary vocational education. There are, however, serious questions about the meaningfulness of the completion rate measures. Most of the differences are probably due to data reporting differences rather than real differences among the schools and colleges.

In addition, in options 2 and 3 the differences between being eligible and ineligible can be very small. For example, in option 2 one WDA fails to be eligible because it achieved only an average of 99.1 percent of the Adult Education targets, even though it achieved an average of 110 percent of the Perkins targets and 131 percent of the WIA Title I-B targets.

Finally, the performance results fall within a narrow range, with little or only modest differences between the lowest and highest performing WDAs.

These data issues are an argument in favor of option 1.

Other Eligibility Options Considered

Three Pots

Technically it would be possible to determine eligibility separately for each of the three programs (WIA Title I-B, Vocational and Technical Education, and Adult Education). For example, the Workforce Board could divide the \$3 million grant into three \$1 million pots of money, one for each program. Eligibility for the WIA Title I-B pot would be based solely on the performance of the WDA for WIA Title I-B. This approach would have the advantage of rewarding a WDA for achieving targets in a program, and a greater award for achieving targets in two or three of the programs.

This option, however, seems inconsistent with the policies already established by the Workforce Board and the intent of the incentive award. The intent of the federal incentive award is to reward system-wide performance and to fund system-wide activities. *High Skills, High Wages*, states that local areas would receive an award based upon the performance in these programs, plural. *High Skills, High Wages* states that the funds must be used for system-building activities, not activities that pertain only to one program.

Also, the policy adopted by the Workforce Board in June regarding local applications requires partnerships of all three programs in developing local applications to receive the funds. If there were an award to a WDA based only on the performance in one program, should the partners in the other two programs still have a say in how the funds would be used? The state application to the Department of Labor requires such partnerships. If the Workforce Board chose the option of dividing the single federal grant into three program pots, then the Board should consider modifying the state application already submitted to the Department of Labor regarding the partnership requirements for local applications.

“Rewarding Those that Perform”

Another option that some have suggested is to reward those that produced the performance results. This option would seem to imply awards at the institutional level. For example, some colleges made the targets, others did not, in the same Workforce Development Area; it would be technically feasible to award only the colleges that made their targets. This option has the advantage of rewarding performance. It has the same disadvantages discussed above under “three pots” plus the disadvantage of making individual awards that would be very small. A college that made its Perkins targets might receive about \$25,000. The awards would be even smaller for school districts. It would be difficult to have a major impact on the health care shortage with such small sums of money.

B. Allocation Options Among Eligible Areas

In addition to deciding how to determine a Workforce Development Area's eligibility for an incentive award, the Board needs to consider options for how much money each eligible area receives. Here are three options. The second two options are not mutually exclusive.

1. Equal Allocation

Each eligible WDA receives the same amount.

2. Allocation Based on Relative Size

Each eligible WDA's award is based on the relative size of the WDA as measured by the total number of participants in the three programs. (Technically, the number of participants is the number of program exiters included in the performance measures.) For example, an eligible WDA with two times the number of participants as the average-sized WDA would receive an award twice as large as the average-sized WDA (if they performed the same).

3. Allocation Based on Relative Performance

Each eligible WDA's award is based on their relative performance. For example, a WDA that exceeded 100 percent of targets by twice as much as the average WDA would receive an award twice as large as the average Area (if their size were the same).

Recommended Options

The recommendation is that each Area that exceeded 100 percent in its average performance across all three programs should be eligible for an award. This recommendation reflects the overall performance of the 12 areas. It also reflects measurement issues discussed above. Because of concerns with the federally required measures and data quality, and the narrow range within which the 12 WDAs performed, the performance results do not warrant making any WDA totally ineligible to receive funds from the Grant. The relative performance of the 12 WDAs can still be rewarded without any WDA being given zero funds.

The size of the award to an eligible WDA should be based on its relative performance as measured by the extent to which the WDA's average performance across all three programs exceeded 100 percent.

The size of the award should also be based on the relative size of the WDA as measured by the total number of participants in the three programs. This reflects the fact that it takes more money to have an effect in a larger area, both in terms of meeting needs and rewarding performance.

Performance and size should be weighted equally.

Section 503 Incentive Grant Planned Activities In Washington State

Workforce Development Areas	Youth Initiatives	Transitions and Bridges	Training
Olympic	Fund a regional health occupations summer camp experience	Provide management training to RNs and medical terminology training to hospital employees	Manage a medical occupations scholarship program (testing fees, tutor costs, tuition support)
Pacific Mountain	Deliver integrated health care focused workshops coordinated by ESD 113		Create a regional medical laboratory technologist program
Northwest	Have partners deliver hour long lesson plans at area schools and arrange one week and six week health care career camps	Implement <i>Bridge Classes</i> targeted to students who have the potential to enter health care training programs	
Snohomish County	Deliver <i>High School and Beyond</i> project activities to assess training needs and inform targeted youth about health care opportunities	VESL/ABE health care bridge program; incumbent worker specialized training	Provide funds to add capacity for community college health care training
Seattle-King County	Provide youth with career exploration and training in health care fields	Expand the <i>Career Pathways</i> program to two additional health care organizations	Expand regional health care training capacity at selected community and technical colleges
Tacoma-Pierce County	Deliver health care occupations workshops with outreach to K-12 and ESL populations	Support nursing clinical placement coordination and tuition for incumbent worker training	Support Diagnostic Medical Sonography program and Nursing Educator Program
Southwest Washington	Implement K-12 pilot projects informed by 503 mapping process	Implement incumbent worker pilot based on mapping priorities	Implement health care pilots for adults based on mapping priorities
North Central	Provide career summits for all 9 th grade students, teachers, and parents	Arrange additional career pathways services for targeted 9 th graders Coordinate with Tech Prep partners	
Tri-County	Develop collaborative health care curriculum for high school students	Coordinate cross training and career planning for health care workers	Provide funds to support instructional health care program costs at YVCC
Eastern Partnership			Support expanded instructional capacity at WWCC and Clarkston for PN nursing program adding 20 slots

Workforce Development Areas	Youth Initiatives	Transitions and Bridges	Training
Benton-Franklin	Help targeted students (who are interested in health care careers) meet pre-requisites and plan	Promote increased awareness among K-12 counselors/teachers about health care opportunities	Employ coordinator to implement the MESA USA model in Benton and Franklin County schools
Spokane	Provide Skills Center students with hands-on college laboratory experience	Deliver "Transition to Services" information re: healthcare careers and planning (online/campus)	Provide supportive services to reduce barriers to success while in training and in employment

TAB 4

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

ELIGIBLE TRAINING PROVIDER POLICY

Each year, the Board adopts the policy used to determine the eligibility of training programs to provide training funded by Workforce Investment Act Title I-B Individual Training Accounts. The same policy is used to determine eligibility to train dislocated workers receiving additional unemployment insurance benefits under the state's Training Benefits Program. At the March meeting the Board will act on policy changes for next year: July 1, 2005, to June 30, 2006.

At the end of the tab is background information on the effects of the current performance criteria on program eligibility, including new information on programs that failed to meet the earnings criteria and apprenticeship programs that did not satisfy the completion rate criteria.

Board Action Requested: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, The Governor's Executive Order 99-02 designates the Workforce Training and Education Coordinating Board to develop criteria for eligible training providers under Title I of P.L. 105-220 (the Workforce Investment Act) and standards for measuring and reporting eligible provider performance and cost information;

WHEREAS, Under the state's Training Benefits Program, a program must meet criteria for performance developed by the Workforce Training and Education Coordinating Board for the purpose of determining those training programs eligible for funding under Title I of P.L. 105-220;

WHEREAS, In March 2004, the Board adopted a policy for determining training provider eligibility, and that policy is set to end on June 30, 2005; and,

WHEREAS, The Performance Management for Continuous Improvement workgroup, including representatives of local Workforce Development Councils and training providers, has reviewed and supports the proposal for changes in the policy for determining training provider eligibility.

THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board, on behalf of the Governor, adopts the Performance Criteria for Determining Training Provider Eligibility for July 1, 2005, to June 30, 2006.

Performance Criteria for Determining Training Provider Eligibility
July 1, 2005, to June 30, 2006

(Changes from the 2004-05 criteria are underlined.)

I. State Required Performance Levels

A program must meet or exceed each of the following minimum performance floors:

- A completion rate of 20 percent
- An employment rate of 50 percent
- An earnings level of \$3,207.50 in a calendar quarter

Failure to achieve any one of these minimum floors shall make the program ineligible, with the earnings/hourly wage exception explained below.

In addition, the program must achieve at least an average of 100 percent of the following performance targets:

- A completion rate of 30 percent
- An employment rate of 65 percent
- An earnings level of \$4,022.50 in a calendar quarter

The average shall be calculated by dividing actual performance on each measure, for which there is sufficient data, by the target for that measure, adding the results together, and dividing by the number of measures for which there is sufficient data.

If a program fails to meet the eligibility requirements for earnings, the program may still qualify by meeting the requirements for hourly wages. The requirements for hourly wages are:

- Minimum floor: \$8.50 per hour
- Performance target: \$9.50 per hour

Analysis of Changes from Current Policy

The proposed policy for 2005-06 raises the earnings criteria in order to maintain the policy of matching the poverty thresholds. The minimum floor for earnings is increased from \$3,123 to \$3,207.50 in a calendar quarter in order to match the new poverty threshold for a family of two. The target for earnings is increased from \$3,918 to \$4,022.50 in a calendar quarter in order to match the new poverty threshold for a family of three. There are no other changes.

Effect of 2004-05 Performance Criteria on Provider and Program Eligibility

The effect of the 2004-05 policy is shown in the following table. The numbers are based on programs that applied to be on the ETPL for the current year:

	Community & Technical College Programs	Private Career School and 4- Year Programs	Apprenticeship Programs
Number of Programs on ETPL as of 6/30/03	1,365	1,304	53
New programs-interim eligible	160	72	0
No data reported-not eligible	31	63	0
Not enough exiters for analysis	17	174	14
Data problems-interim eligible	0	11	0
Number of ETPL programs with sufficient data for analysis	1,220	681	39
Number and percent of analyzed programs found not eligible due to performance	69 (5.6%)	60 (8.8%)	9(23.1%)
Program categories with high ineligibility rates due to not meeting performance standards	Agriculture, Forestry and Fisheries (14 percent not eligible), Marketing and Sales (13 percent not eligible), Administrative Support (9 percent not eligible) and Managerial/ Managerial Support (9 percent not eligible)	Cosmetology (35 percent)	

Among all community and technical college programs that were found not eligible, 65 percent had completion rates below the standard, 36 percent did not meet the employment rate standard, and 23 percent fell short on median earnings and hourly wage.

Among private career school and 4-year programs, the ineligibility of the cosmetology was due to low employment rates. Two of the cosmetology programs also did not meet the earnings standard. Of the remaining ineligible programs in this sector, 62 percent failed to meet the employment rate standards. Completion rate was the deciding factor for only 28 percent of the ineligible programs in the analysis.

For apprenticeship programs, all of the programs that were found not eligible had low completion rates.

TAB 5

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

WORKFORCE INVESTMENT ACT 10 PERCENT FUNDS

Ten percent of Workforce Investment Act (WIA) Title I funds are set-a-side for statewide activities to be determined by the Governor. WIA requires that certain activities must be performed while other activities are permissive. The amount invested per activity, and whether or not investments are made in the permissive activities, is at the discretion of the Governor. The Workforce Training and Education Coordinating Board (Workforce Board) makes recommendations to the Governor.

The paper in this tab offers draft suggestions for 10 percent funding for the program year that begins July 1, 2005 (PY 2005). Workforce Board and Employment Security staff developed the recommendations. The draft suggestions identify the minimum amount that we suggest be allocated for each category. The draft shows that an estimated \$1.150 million would remain after these minimum allocations. This amount would be available for additional priority areas to be identified either in the Board's recommendations adopted in May, or be held in reserve for identification by the Governor later during PY 2005.

At this time, we have not yet received direction from the Governor's Office as to her priorities for the 10 percent funds. Such direction, however, is anticipated before Board action in May. Ultimately, The Board will want to put forward recommendations that align with the Governor's priorities.

The suggested levels are based upon a hypothetical WIA allotment to Washington State of \$84 million. At this time, we do not know what the state's allotment will be for next year.

During the March meeting, the Board will have the opportunity to discuss budget priorities for 2005. Based upon that discussion, direction provided by the Governor, and how much the actual state allotment is, staff will prepare final recommendations for the Board to act on at the May meeting.

Finally, in this tab is a letter from the Workforce Development Council Directors. The Directors indicate that their priorities for 10 percent funding include One-Stop infrastructure, incumbent worker training, and skill panels. They also request greater local flexibility in allocating funds for these and other local priorities, and express appreciation for the changes the state made last year in moving away from a strictly competitive Request for Proposals approach in distributing funds to local areas.

Board Action Requested: None. For discussion purposes only.

Activities Required by the Workforce Investment Act

Eligible Training Provider List (ETPL) and Evaluations. The Workforce Investment Act (WIA) requires the state to establish performance criteria and maintain a list of training programs that meet the criteria and are eligible to receive Individual Training Account vouchers for training funded through WIA Title I-B. The state is also required to evaluate the effectiveness of the workforce investment system, including the 17 core indicators for WIA Title I-B, and report the results for the state as a whole and for each of the 12 workforce development areas in the state. Costs will be higher in PY 2005 for three main reasons: (1) PY 2005 is a year in which the Workforce Training and Education Coordinating Board (Workforce Board) conducts a net impact and benefit/cost evaluation (conducted every four years), (2) PY 2005 is a year that surveys are administered to program participants and employers (conducted every two years), and (3) the ETPL websites need updating to maintain and improve their functionality (including accuracy).

Category	2003	2004	2005 Minimum Amount Suggested
ETPL and Evaluations	\$700,000 75,000 Carry Forward (CF)	\$400,000	\$1,000,000

Incentive grants for exemplary performance. This money is directed to Workforce Development Councils (WDCs) that meet or exceed performance targets. WDCs may use the funds for any purpose authorized by WIA. In earlier years, not shown in the table, the amount was substantially higher.

Category	2003	2004	2005 Minimum Amount Suggested
Incentive Grants	\$400,000	\$300,000 (CF)	\$300,000

Development and expansion of One-Stop system. WIA requires the state to operate a One-Stop system with access to 15 workforce development programs. WIA 10 percent money has been used to fund infrastructure and implement innovations that broaden partner participation and customer access. Sample services have included: new partner access to electronic backbone; partner staff training in American Sign to meet the Americans with Disabilities Act standards; expanding resource rooms and self-service capacity; and adding personal computers to the network for customer self-service. Due to commitments already made, no PY 2004 funds were dedicated to this purpose. Partly as a result, there is substantial pent-up need for investments in WorkSource, Washington's One-Stop system.

Category	2003	2004	2005 Minimum Amount Suggested
One-Stop	\$850,000 725,000 (CF) 600,000 (Wagner-Peyser)	0	\$1,200,000

Assist areas with high concentrations of eligible youth. High concentrations of eligible youth are defined as geographical areas with above average concentrations of low-income youth. Beginning with PY 2003, funds have been used to leverage Basic Education Act dollars in community partnerships with school districts and WDCs. The funds are used to address dropout prevention and retrieval.

Category	2003	2004	2005 Minimum Amount Suggested
Youth	\$670,000	\$670,000 670,000 (CF)	\$670,000

Operate a fiscal and management information system. Congress reduced allowable administrative limits when it passed WIA. In return, it informed states that the 10 percent funds were an appropriate source to cover the costs of information technology systems. In order to support One-Stop, the state has directed funds to consolidating and coordinating multiple fiscal and participant (customer) tracking systems and self-service access. These include: WorkSource presence on the Internet (Go2Worksource), Dataflex, Datamart, Services Knowledge and Information Exchange System (SKIES), unemployment insurance benefit payment interface, and JAS (WorkFirst). SKIES is the major recipient of these 10 percent funds. Information systems include making information about job openings available in-person or via the Internet. The expenses for SKIES covers: system administration and operation; software development, maintenance, and upgrades; and hardware maintenance.

Category	2003	2004	2005 Minimum Amount Suggested
Information Systems	\$2,700,000 950,000 (Wagner-Peyser and Claimant Placement)	\$2,689,200 310,000 (CF) 1,150,000 (Wagner-Peyser and Claimant Placement)	\$2,700,000 1,150,000 (Wagner-Peyser and Claimant Placement)

Technical Assistance. WIA requires states to provide technical assistance to workforce development areas that fail to meet performance targets. Employment Security Department and Workforce Board staff will continue to provide technical assistance as needed, without dedicating 10 percent funds for this purpose.

Category	2003	2004	2005 Minimum Amount Suggested
Technical Assistance	\$125,000	0 \$25,000 (CF)	0

Optional Activities (Activities that WIA Permits, but does not Require)

Industry Skill Panels. Industry skill panels are partnerships of employers, labor, and training providers. The panels assess skill gaps in their industry and design actions to close the gaps. Such actions can include the development of new courses, customized training, recruitment efforts, internships, loaned faculty, shared facilities, and others. Skill panels improve efficiency by targeting workforce development activities (including incumbent worker training) to areas identified by industry representatives as necessary to close skill gaps in their industry.

Category	2003	2004	2005 Minimum Amount Suggested
Skill Panels	\$790,000 120,000 (CF)	\$680,000	\$680,000

Health Care. Investments to address the shortage of health care workers are included above under skill panels and below under incumbent worker training. In 2003, funds were also allocated for establishing health care programs in secondary school and for a study of how best to collect on-going data on the supply of health care workers. In 2004, some funds from 2003 were carry forward to complete the study and to start to implement its recommendations.

Category	2003	2004	2005 Minimum Amount Suggested
Health Care (other than skill panels and incumbent worker training)	\$400,000	0 \$70,000 (CF)	0

Incumbent Worker Training. Washington has long lagged behind other states in the amount of public funds invested in customized training of incumbent workers. In order to increase this investment, the Governor allocated substantial funds from WIA 10 percent to this purpose. As part of WIA reauthorization, Congress is expected to increase the flexibility of local areas to use their formula funds for incumbent worker training. In both the House and Senate Bills local areas may use up to 10 percent of their adult monies for incumbent worker training.

Category	2003	2004	2005 Minimum Amount Suggested
Incumbent Worker Training	\$1,000,000 2,200,000 (CF)	\$700,000 1,000,000 (CF— Apprenticeship)	\$700,000

Reserve Fund. In the past, money has been held in reserve to enable the Governor to fund activities not originally planned for. Because of commitments made for the PY 2004 funds (the 7E7 Dreamliner Project) there were no reserve funds in 2004, but instead the funds were committed to this Governor's initiative.

Category	2003	2004	2005 Minimum Amount Suggested
Governor's Reserve/Initiative	\$1,500,000	\$3,500,000 1,500,000 (CF) 1,000,000 (Wagner-Peyser CF) 1,000,000 (Wagner-Peyser)	?

Summary Table (WIA Title I-B Funds unless otherwise indicated)

Category	2003	2004	2005 Minimum Amount Suggested
ETPL and Evaluations	\$700,000 75,000 (CF)	\$400,000	\$1,000,000
Incentive Grants	\$400,000	\$300,000 (CF)	\$300,000
One-Stop	\$850,000 725,000 (CF) 600,000 (Wagner-Peyser)	0	\$1,200,000
Youth	\$670,000	\$670,000 670,000 (CF)	\$670,000
Information Systems	\$2,700,000 950,000 (Wagner-Peyser and Claimant Placement)	\$2,689,200 310,000 (CF) 1,150,000 (Wagner-Peyser and Claimant Placement)	\$2,700,000 1,150,000 (Wagner-Peyser and Claimant Placement)
Technical Assistance	\$125,000	0 \$25,000 (CF)	0
Skill Panels	\$790,000 120,000 (CF)	\$680,000	\$680,000
Health Care (other than skill panels and training)	\$400,000	0 \$70,000 (CF)	0
Incumbent Worker Training	\$1,000,000 2,200,000 (CF)	\$700,000 1,000,000 (CF—Apprenticeship)	\$700,000
Governor's Reserve/Initiative	\$1,500,000	\$3,500,000 1,500,000 (CF) 1,150,000 (Wagner-Peyser and Claimant Placement)	?
To Be Determined			\$1,150,000 est.

Total WIA	\$9,238,190	\$8,639,200	\$8,400,000 est.
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EXECUTIVE OFFICE

JAN 21 2005

WORKFORCE TRAINING AND
EDUCATION COORDINATING BOARD

January 19, 2005

Dr. Sylvia Mundy, Commissioner
Washington State Employment Security Department
PO Box 9046
Olympia, WA 98507

Ms. Ellen O'Brien Saunders, Executive Director
Workforce Training and Education Coordinating Board
128 10th Avenue SW
P.O. Box 43105
Olympia, WA 98504-3105

Dear Dr. Mundy and Ms. O'Brien Saunders:

Over the past year, the Employment Security Department and the Workforce Training and Education Coordinating Board have simplified and improved the distribution of WIA 10% funding to local Workforce Development Councils (WDC). We greatly appreciate this. You have consistently given our proposals serious consideration.

More importantly, your decisions have made the workforce development system more accessible to our business partners, as well as our partners in the education system. Because of your decisions to allocate incumbent worker funding and dropout prevention funding, the workforce system is better equipped to respond to the needs expressed by our local employers and school systems.

To build upon this success, we would like to open a conversation with you regarding next year's WIA 10% funding, focusing on flexibility and investment in the local workforce system. Last March, we suggested allocating funding to each Workforce Development Council, and allowing each WDC to use the funds for locally-determined priorities that are in alignment with the local and state strategic plans. We still prefer this approach, and appreciate the steps you have taken in the past year to move toward this goal.

Olympic Workforce
Development Council

Pacific Mountain Workforce
Development Council

Northwest Workforce
Development Council

Thomson County Workforce
Development Council

Workforce Development
Council of Seattle-King
County

Tacoma-Pierce County
Workforce Development
Council

Southwest Washington
Workforce Development
Council

North Central Washington
Workforce Development
Council

Tri-County Workforce Council

Eastern Washington
Partnership Workforce
Development Council

Benton-Franklin Workforce
Development Council

Spokane Area Workforce
Development Council

In the coming year, one stop infrastructure will remain as a pressing need. We hope that we can address this need, as well as incumbent worker training, skill panel support and other local priorities through flexible grants of WIA 10% funds or other funding.

We recognize that you will need mechanisms to ensure quality control, and to maintain the state's ability to create a statewide focus on state-determined priority issues. We would like to work with you to see if we can address these needs, while also giving Workforce Development Councils a greater ability to bring partners to the table and deliver outstanding results for our communities. To that end, I have asked WWA staff to arrange for a meeting with you and your staff in January.

Please feel free to call me, at (360) 337-7185, for further information. Thanks very much for working with WWA to build a world class workforce development system in Washington.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Frazier', with a stylized flourish extending from the end.

Steve Frazier, Chairman
Washington Workforce Association

cc: Washington Workforce Association Board of Directors

Gary Gallwas, Washington State Employment Security Department
Janet Bloom, Washington State Employment Security Department
David Harrison, Workforce Training and Education Coordinating Board
Pam Lund, Workforce Training and Education Coordinating Board

TAB 6

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

2005-2010 STATE PLAN FOR ADULT BASIC EDUCATION

Adult Education and Basic Skills provides instruction in adult education and literacy services, including workplace literacy, family literacy, and/or English literacy, in order to: (1) Assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; (2) Assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and (3) Assist adults in the completion of a secondary school education. Federal funding comes from the U.S. Department of Education and from the state Legislature (\$7,934,300 and \$78,017,000 in 7/01/02 to 6/30/03 respectively).

The State Board for Community and Technical Colleges (SBCTC) developed and approved a State Plan for Adult Basic Education in 2000. SBCTC's Adult Education Office has been working with the Washington State Adult Education Advisory Council, the Council of Basic Skills, and other interested groups to develop a for 2005-2010.

Executive Order 99-02 directs the Workforce Training and Education Coordinating Board (Workforce Board) to review and make recommendations to the Governor concerning the State Plan for Adult Basic Education to ensure consistency with the State Strategic Plan for Workforce Development.

There are three strategies in *High Skills, High Wages 2004 – Washington's Strategic Plan for Workforce Development* that are directly tied to Adult Basic Education services:

Strategy 3.2.4 - Provide training programs at times and locations that are accessible to working people, and provide support services to assist in overcoming barriers to training. *Lead Organization: SBCTC*

Strategy 3.2.5 – Increase basic skills and English as a Second Language (ESL) instruction that is integrated with occupational skills training. *Lead Organization: SBCTC's Office of Adult Literacy*

Strategy 3.2.7 – Provide financial assistance that enables working adults and ESL Adult Basic Skills students to take advantage of education and training opportunities. *Lead Organization: Higher Education Coordinating Board and SBCTC*

The 2005-2010 State Plan for Adult Basic Education will be presented to the SBCTC Board on May 4-5, 2005. The Workforce Board is scheduled to review and recommend approval of the plan on May 12, 2005. A draft copy of the plan is included under this tab.

At the March 31, 2005, Workforce Board meeting, Kathy Cooper, SBCTC Policy Associate, will discuss the goals, primary indicators, and activities described in the draft plan and address your questions and suggestions.

Board Action Required: None. For informational purposes only.

State Board for Community and Technical Colleges



Presentation for the Workforce
Training and Education
Coordinating Board

**When One Person Learns, Everyone Benefits
State Plan for Adult Basic Education
2005 - 2010**

When One Person Learns, Everyone Benefits

Forty years ago, adults with low basic skills in Washington who got into adult basic education classes were taught with materials meant for children. They practiced discreet skills in reading, writing, and math that had nothing to do with their lives were left to discover how to use them. The pay-off to adult learners and their communities was limited.

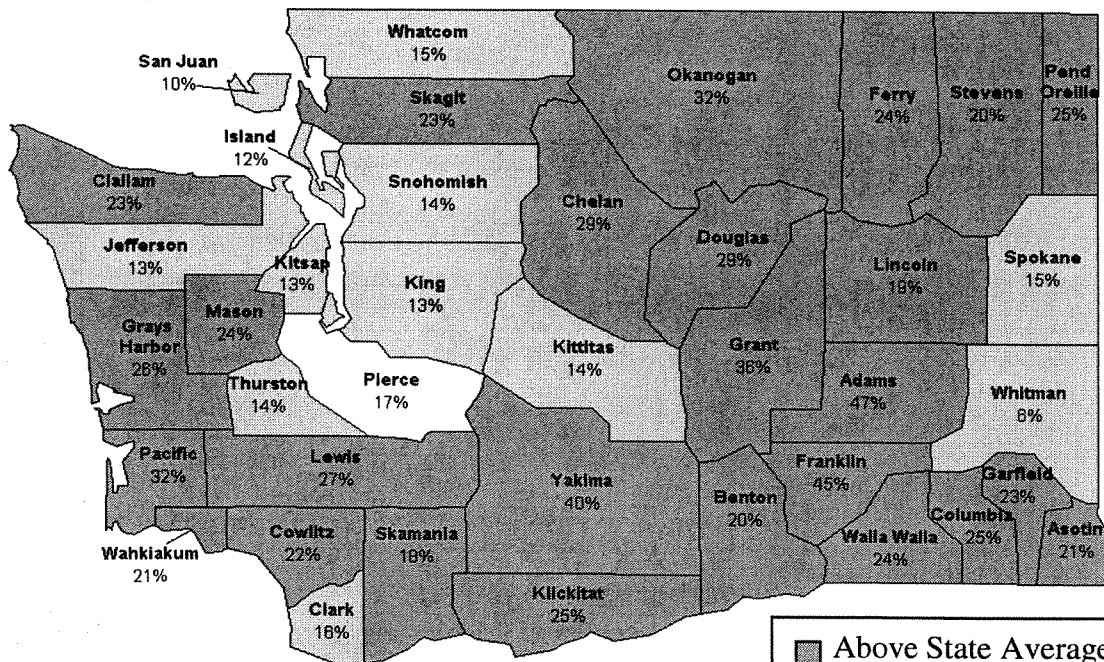
Today, learners in adult basic education set their own goals. For 85 percent of them, those goals are related to work and self-sufficiency. Instructors skilled in helping adults guide learners to select among a variety of classes and programs that include reading and writing, math, English as a Second Language, high school completion, family literacy, and work readiness. All the learning is related to the lives of the learners. Benefits to learners, their communities, and Washington state are real and immediate.

Today's progress in Adult Basic Education is not enough to carry our state forward in the next five years. Washington's economic future will depend on a workforce that includes adults who are currently under-prepared to either fully participate or fully benefit. The adult basic education system is committed to accelerating our progress.

Adult Basic Education is Key to Washington State's Future

Nearly 500,000 adults over twenty-five in this state lack a high school diploma. Another almost 140,000 between the ages of 18 – 24 lack a high school diploma. Three out of every seven high school students drop out.

17 % of Washington Adults Lacked High School Credentials in 2000

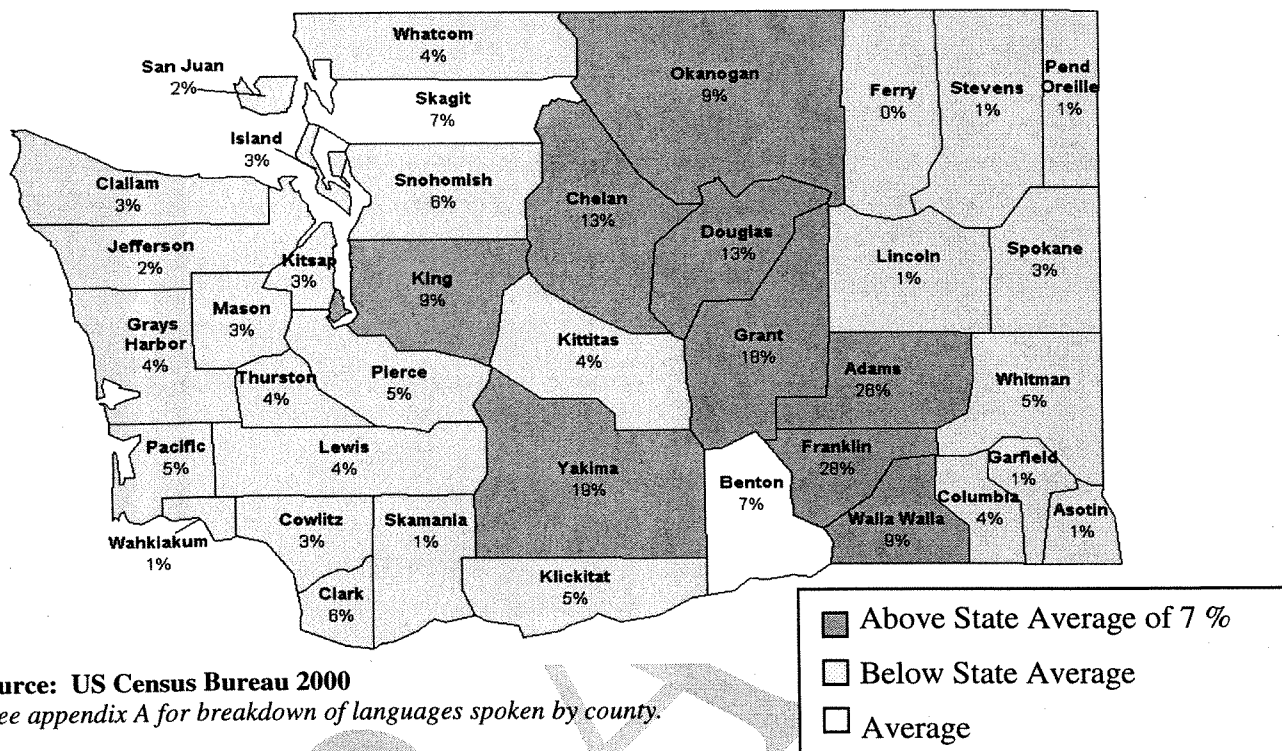


Source: US Census Bureau 2000

■ Above State Average of 17 %
□ Below State Average
Average

Immigrants and refugees are the fastest growing part of our state's population. Almost a quarter million adults do not speak or understand English very well.

7 % of Washingtons Adult Population in 2000 Were Non-English Speakers*



Source: US Census Bureau 2000

*See appendix A for breakdown of languages spoken by county.

Rapid growth in the number of adults without high school credentials and English language skills has a powerful impact on Washington's current and future workforce.

- The few jobs available for low-skill workers are getting scarcer. More than one million of our citizens and their children are at risk of becoming more impoverished and even more dependent without the opportunity to improve their skills.*
- Even entry-level workers need to be good at reading, writing and math. They need to be able to speak and understand English. They also need to know how to solve problems, be efficient, be smart about time, and know how to provide high-quality customer service and use technology well. They need to continue to learn so that they may continue to advance.*
- Employers often cannot find the skilled workers they need. Jobs go unfilled, sales are lost, and the bottom line suffers. In fact, Washington's economy is hindered by under-prepared and under-utilized workers.*
- The demand for skilled employees outstrips the current supply of workers. Even low-wage jobs in industries from hospitality to agriculture demand competence in literacy as well as specific job knowledge.*

- This workforce gap will only increase as the baby boom generation begins to retire in 2008. In some industries, like health care, the need for skilled workers may become a crisis.*

Adult Basic Education helps employers find trained workers or train current workers so they can be promoted. It can provide the skills that adults need so they can move up to a better life, provide for their families, and contribute to their communities.

While there are low-literate people who need jobs and who are ready, willing and able to work, they can't get what they need because:

- State and federal funds for adult basic education are declining.
- Community and technical colleges, who provide about 95 percent of the adult basic education in this state, have been forced to cut services.
- Students in adult basic education classes don't qualify for financial aid. These low-income students need help to stay in school. Without the assistance that's essential and available to other needy students, they struggle with the demands of living, transportation, and childcare expenses.
- Most of them work irregular hours, have one or more part-time jobs or work at times when classes are not available. They find it hard to connect with the help that is available.

of Washington Adults who lacked High School credentials in 2000, served by region.
(Data to be provided in next draft.)



of Non-English Speaking Washington Adults in 2000, served by region.
(Data to be provided in next draft.)



The stakes for Washington State are high if low-literate adults don't get the skills they need.

- **Washington's growing diversity presents challenges and opportunities for the workforce and public education.** Immigration is the driving engine for our national population growth, where one in five children is the child of an immigrant. In our state, in little more than ten years, there has been a near doubling of the population for whom English is a new language.*
- **Our state's employers face a shortage of skilled workers today.** Even at the height of the recession (2004), 59 percent of Washington state employers had a hard time finding qualified applicants for openings. As a result, these same employers reported decreases in output and quality. Some even moved out of the state.

Over 40 percent of American workers have low literacy skills. Manufacturers say that the lack of skills among workers accounts for difficulties in maintaining production levels and implementing improvements to productivity.

When more than 100 employers participated in national literacy program at their workplaces (including a group of ten in Washington State), 80 percent of them identified improved quality of work as a benefit. 71 percent were able to promote from within after employees participated.*

- **Tomorrow's workforce will be more dependent on immigrants, refugees, and others who don't yet have the skills they need.** As the predominantly white baby boomers who make up a core of the state's workforce retire, the workforce will be even more dependent on our diverse populations to fill skilled positions. For example, Latino/Hispanics made up only 3.8 percent of the civilian workforce in 1990. By 2010, our states Latino/Hispanic population will make up 15.3 percent of the workforce.*
- **Under-prepared workers, like their employers, will benefit from increased skills.** Low-literate adults have the hardest time getting jobs and are often the first to be laid off. Experts predict that as few as 10 percent of all new jobs will be available to those who lack a high school diploma. Their unemployment rate is at least four times that of a high school graduate.

When they do get jobs, and many literacy students are working at one or more jobs, this group makes substantially lower wages than their better-educated colleagues. Across the country, high school graduates earn \$5,000 more each year than those without a diploma. Getting some college adds at least another \$6,000 to that amount.*

- **Low literacy decreases the effectiveness and raises the cost of the health care system.** The reading level of written materials - like prescriptions, immunization schedules, and instructions for care after surgery - is well above the ability level of many adults, one in five of whom read at or below the fifth grade level. Health care experts estimate that the costs of adult illiteracy to the health care system are in the range of 8-12 billion dollars a year.*
- **Children's success in school depends on the education of their parents.** Across the country and in our state, children whose parents have less than a high school education score lowest on reading and other standardized tests. When parents' literacy improves so does their children's health, likelihood of staying in school, and ability to get employed. The U.S. Department of Education put it simply, "The single most significant predictor of children's literacy is their mother's literacy."*
- **Communities benefit from more literate citizens.** When you compare Washingtonians who lack literacy skills to their more literate neighbors, less than half as many participate in community organizations each month. The same pattern holds true when you look at participation in state and national elections. Low literate adults are almost twice as likely not to vote as are literate citizens.*

* Supporting data comes from national sources including: the U.S. Census Bureau, the Manhattan Institute for Policy Research, Anthony Carnevale and Donna Desrochers' book *The Missing Middle*, Michael Bloom's study *Turning Skills into Profits*, and the U.S. Department of Education's *America Reads*, and studies conducted by the Institute for Health Care Advancement.

Sources for Washington State data include: Workforce Training and Education Coordinating Board's publication *Workforce Training: Employer Needs and Program Results*, the *2004 Long Term Forecast* from the Office of Financial Management, and the *Washington State Adult Literacy Survey*.

Washington's adult basic education system is already addressing these high stakes issues and needs to do even more.

Over the next few years, the Adult Basic Education System will:

1. Increase its outcomes
2. Expand access to services
3. Define its role in helping Washington State meet its economic and community goals.

Faced with these critical needs that leaders have identified from the private and public sector, convened by the state's Adult Education Advisory Council and the State Board for Community and Technical Colleges, four goals critical to the success of our state have emerged.

Goal 1: Prepare Adult Basic Education students to contribute to and benefit from Washington's economy by increasing learning outcomes related to work.

Primary Indicators*: Yearly increases in the number of students who:

- Enroll in ABE programs to find or keep a job.
- Transition to additional education or job training programs.
- Earn vocational certificates while gaining basic skills.
- Increase their post-ABE earnings.
- Earn GEDs, the baseline requirement for most entry-level positions.
- Enroll in integrated basic skills and vocational education programs.

Activities:

- Analyze the success of students who concurrently receive workforce education and ABE services.
- Analyze transition to additional education or job training.
- Undertake a longitudinal impact study about the income of students before, during and after ABE education.

Goal 2: Provide increased access to Adult Basic Education that leads to economic self-sufficiency and a stronger workforce for the adults in Washington who need it.

Primary Indicator*: We will increase the number to be served.

Activities:

- Adult Basic Education programs will serve students in different ways, expanding on-line courses and workplace basic skills programs.

Goal 3: Increase understanding of the importance of Adult Basic Education in meeting the economic goals of Washington State.

Primary Indicators*:

- Increased mention of ABE in legislative initiatives, testimony, bills, and hearings.
- Expanded media coverage of the role that ABE plays in the workplace, family and community.

- Greater participation of ABE in the plans and activities of such partner organizations as the Workforce Training and Education Coordinating Board, the Higher Education Coordinating Board, partner agencies like DSHS and the Employment Security Department, the Workforce Development Councils, and United Ways.
- Increased public recognition of the value and effectiveness of ABE, as indicated in the SMART Investment survey.

Activities:

- Assist in the design and analysis of SMART Investment Survey.
- Help local program staff to better communicate the economic contributions of Basic Skills.
- Highlight the role of ABE in workforce development communications that the State Board for Community and Technical Colleges publishes.

Goal 4: Identify and secure resources required to expand Washington's capacity to meet more of the growing need for Adult Basic Education.

Primary Indicators*:

- Increases in services and outcomes.
- Expanded partnerships, increased collaboration, increased leveraging of resources.

Activities:

- **Provide assistance to program leaders on soliciting resources based on environmental scan and gap analysis.**

* Target numbers to be determined.

State, federal and local funds support statewide services.

Thirty-four colleges and nearly twenty community-based organizations currently provide adult basic education across Washington State. Funded through the State Board for Community and Technical Colleges, this network accounts for about 95 percent of all adult literacy. Each one tailors services to respond to their own community.

Local flexibility is balanced with shared accountability. All providers:

- Use the same standardized assessments to measure student learning;
- Report data quarterly;
- Are responsible for same program outcomes including employment and a variety of learning outcomes; *(final plan will include web links)*
- Receive funds based on state and federal performance targets.

Providers are supported in carrying out their complex tasks. A regional system of professional development emphasizes instruction that addresses learners' goals and continues program improvement. Providers also network to share best practices.

Adult basic education programs are supported with a combination of federal, state and local dollars. Because community and technical colleges provide about 95 percent of the services in Washington State, they also receive and provide the largest part of the funds.

In fiscal year 2005, the federal and state funds specifically allocated to ABE amounted to about ten million dollars. For every one of these dollars they received, colleges invested at least another seven dollars in state funds and community based organizations invested at least four dollars in community contributions to serve basic skills learners. *(final plan will include web links)*

Partner agencies and organizations also invest federal, state and local dollars in helping under-prepared adults move into the economic and social mainstream. For example, the Office of the Superintendent of Public Instruction distributes federal EvenStart dollars to 17 family literacy programs in Washington State, helping to break the intergenerational cycle of illiteracy and poverty.

Other partners that invest in adult basic education include the Department of Health and Human Services, the Employment Security Department, all twelve Workforce Development Councils, and state and local libraries.

Because the future of our economy, communities and families depends on the ability of our state to close the skills gap for all of its citizens, these entities will continue to work together to ensure the highest return on public investments.

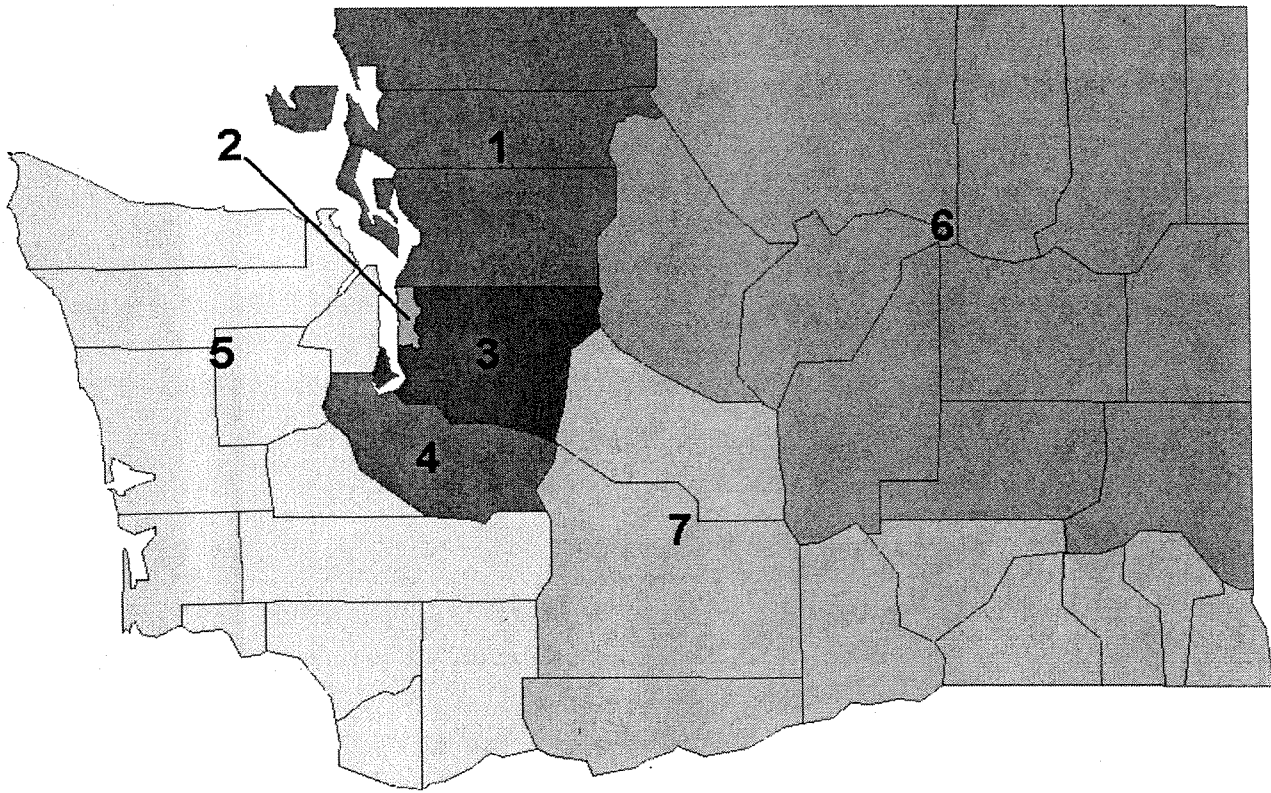
Funding Regions

The State Board for Community and Technical Colleges distributes funds so that adult basic education is available across the state. The Board uses funding regions to make sure that happens. The regions follow the boundaries of community and technical colleges. Wherever possible, they also reflect the twelve workforce development areas and the regions set up by partner agencies.

Funding regions have three purposes:

- They ensure that support for ABE services is available across the entire state.
- They give providers in an area opportunities to work together to plan and deliver services.
- They offer a framework within which providers can request money in a competitive process – a requirement of the federal funds.

Funding Regions 2005 - 2010



Region	Description	Comprised of:
1	NW Washington	Whatcom, Skagit, San Juan, Island and Snohomish Counties
2	Seattle	Seattle and King County directly north of Seattle
3	South and East King	South and East King County (excluding Seattle)
4	Pierce	Pierce County
5	South and West Washington	Clallam, Jefferson, Grays Harbor, Mason, Kitsap, Thurston, Pacific, Wahkiakum, Lewis, Cowlitz, Clark, and Skamania Counties.
6	NE Washington	Okanogan, Chelan, Douglas, Grant, Adams, Lincoln, Ferry, Stevens, Pend Oreille, Spokane, and Whitman Counties
7	SE Washington	Kittitas, Yakima, Klickitat, Benton, Franklin, Walla Walla, Columbia, Garfield, and Asotin Counties

The Funding Formula

The amount of money available in each funding region is determined by funding formula. The formula based on data for each region identifies the need for services and the amount of service currently available. The formula includes a hold-harmless clause that makes sure that existing services are not seriously disrupted.

The factors in the formula include:

- The number of residents in the funding area who are eighteen and older and do not have a high school diploma.
- The number of residents in the funding area who are eighteen and older and who indicated on Census 2000 that they do not speak English very well.
- The current level of ABE services in the area.
- A hold-harmless clause for the region that keeps the service level as stable as possible.

The final plan will include links to the State Board for Community and Technical Colleges webpage and provide contact information.

Appendix A

Language Spoken at Home for the Citizen Population 18 Years and Over Who Speak English Less Than "Very Well", for the United States, States, and Counties: 2000

Source: Census 2000 Special Tabulation 194.

Note: SBCTC calculation using census data that are based on a sample and are rounded.

(D) indicates that actual numbers were too small for inclusion.

Area Name	Total	Speak Spanish or Spanish Creole	Speak other Indo European language	Speak Asian or Pacific Island language	Speak other language
Washington	260852	88612	43939	121431	6870
Adams County	2361	2270 (D)		0 (D)	
Asotin County	136	68 (D)		(D)	0
Benton County	5990	4070	697	1223	0
Chelan County	4936	4356	331	248	0
Clallam County	1095	609	278	147	62
Clark County	12755	3770	3621	4851	527
Columbia County	86 (D)		(D)	0	0
Cowlitz County	1819	915	247	617	41
Douglas County	2421	2137	170	113	0
Ferry County	21	13 (D)		0 (D)	
Franklin County	7954	7140	129	684	0
Garfield County	9 (D)		0 (D)		0
Grant County	7651	6805	677	188	0
Grays Harbor County	1511	631	440	393	36
Island County	1253	344	303	566	40
Jefferson County	233 (D)		72	78 (D)	
King County	104534	17208	18271	65763	3292
Kitsap County	4004	1109	613	2204	85
Kittitas County	915	428	369 (D)		(D)
Klickitat County	621	489 (D)		(D)	79
Lewis County	1471	940	327 (D)		(D)
Lincoln County	36	18 (D)		(D)	0
Mason County	978	499	160	240	80
Okanogan County	2089	1769	128	64	107
Pacific County	570	235	56	235	45
Pend Oreille County	74	16	42 (D)		(D)
Pierce County	22978	5742	4005	12772	459
San Juan County	166	72	79 (D)		(D)
Skagit County	4476	3431	515	456	59
Skamania County	81	72 (D)		(D)	0
Snohomish County	22954	5413	4203	12718	620
Spokane County	6980	2306	2315	2219	131
Stevens County	178	95	72	17	0
Thurston County	5178	1352	817	2905	97
Wahkiakum County	12	6	0	0	6
Walla Walla County	3087	2638 (D)		231 (D)	
Whatcom County	4373	1913	1200	1034	238
Whitman County	1340	606 (D)		479 (D)	
Yakima County	23526	21169	931	1016	409

TAB 7

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

**THE HIGHER EDUCATION COORDINATING BOARD'S PROPOSED MINIMUM
COLLEGE ADMISSION REQUIREMENTS**

Background:

The Higher Education Coordinating Board has proposed new minimum college admission requirements for the state's four-year institutions. This tab includes:

- A briefing paper on the proposed requirements and analysis of their potential impacts in combination with current graduation requirements.
- Public hearing dates and locations.
- The proposed minimum college admission requirements administrative code: Chapter 250-83 WAC.
- A resolution for board consideration.

Board Action Requested: Adoption of the Resolution.

RESOLUTION

WHEREAS, The Higher Education Coordinating Board has proposed new minimum college admission standards for the state's four-year institutions; and

WHEREAS, The Higher Education Coordinating Board is soliciting the views on these standards from a broad set of constituencies,

WHEREAS, The impact of the proposal must be considered in combination with current high school graduation requirements; and

WHEREAS, The impact of the new proposal could lead to:

Tracking of students into either a college preparatory track or career and technical education.

Increased barriers for students who are at risk of dropping out or have dropped out and re-entered the education system due to a lack of relevant courses offered, or a lack of courses that accommodate alternative learning styles.

Reduced career and technical education offerings, as well as a variety of other elective offering at high schools that make learning relevant for students, and accommodate students with alternative learning styles.

Reduced options for students interested in entering a baccalaureate institution to attend skill centers as there would not be enough time left in the day to meet both the entrance requirements and attend skills centers; and

WHEREAS, The proposal does not clearly state that school districts may determine whether courses are equivalent to required college courses and meet college admission requirements; and

WHEREAS, A preferable method for aligning high school programs with postsecondary programs and thus reduce remediation is to define course competencies; and

WHEREAS, The Higher Education Coordinating Board will hold public hearings in April and May;

THEREFORE, BE IT RESOLVED, The Workforce Training and Education Coordinating Board attend a public hearing, share the concerns, and urge the Higher Education Coordinating Board not to adopt the proposal for minimum college admission standards without addressing the concerns laid out in this resolution.

Examining Possible Impacts of Proposed Higher Education Coordinating Board Minimum College Admission Standards

The Higher Education Coordinating Board (HECB) Proposes Changes to Minimum College Admission Standards

At a meeting on December 10, 2004, HECB passed a resolution (4-3 vote) to publicize the recommended minimum college admission changes, conduct a public comment process (see hearing dates in Attachment A), and prepare final proposed standards and background materials for consideration and possible adoption by the Board early in 2005.

HECB meeting materials outline the rationale behind these changes: to encourage more rigorous academic preparation for college in all four years of high school and reduce remedial instruction in college; and “emphasize the *content* of high school study rather than promoting the achievement of a high grade-point average and the accumulation of ‘seat time’ credits.”

Last Major Changes Occurred in 1988 and 2000

The current admission standards were developed in 1988 and implemented in 1992. In 2000, HECB revised the science requirement, requiring entering college freshman in 2010 to complete two years of laboratory-based science, with at least one year in a course that requires the student to use algebra.

Proposed Changes as Recommended by HECB

During 2004, HECB worked with Admissions Directors at the four-year public institutions, and developed the following recommendations:

- **Increase the high school mathematics requirement to four years, or three years of math plus one course in algebra-based science in the senior year.** Currently students must complete three years of math in high school, beginning with algebra. This proposal would add a fourth year of math, with students choosing from two optional sequences.
 - Successful completion of math through Intermediate Algebra (or Integrated Math III) and one year of elective math, algebra-based science, or statistics in the final year of high school; or
 - Successful completion of math through pre-calculus.
- **Revise the high school science requirement.** Currently, students are required to take two years of science; one year must be laboratory-based. As approved by HECB for freshmen entering college in 2010, students would need to take two years of laboratory-based science; one year would require the student to understand and use algebra. This proposal would advance that requirement to freshmen entering college in 2008.
- **Require students in each year of high school to take at least three college preparatory courses that last for the entire school year.¹**

¹ Personal communication March 8, 2005. According to Doug Scrima the Chief Admission Office at The Evergreen State College, the intent is for students to take core courses through years 11 and 12 to ensure they continue to take challenging courses.

- **Eliminate the statewide college Admission Index**, a formulaic scoring and ranking system used to evaluate high school graduates based on their cumulative grade-point averages and scores on the SAT or ACT college entrance exams. However, the proposal would leave intact the requirements that students achieve at least a 2.0 grade-point average on a 4.0 scale, and that they submit college test scores (SAT or ACT) to be considered for admission.²

Impact of Proposed Admission Standards

In examining the potential positive and negative impacts of the proposed admission standards it is necessary to examine them in combination with current high school graduation requirements. In combination with current graduation requirements, the proposed admission standards could have serious unintended consequences such as tracking of students, decreasing career and technical education offerings, and increasing dropout rates. At the same time there may be alternatives for addressing college admission concerns such as the development of competency-based assessment or performance standards, and improved career guidance in K-12.

Possible Consequence: Increasing Tracking of Students

The proposed minimum college admission standards might lead to increased tracking of students between either a college preparatory program or career and technical education. Currently, it is very possible for a student to complete a sequence of career and technical education, and still meet high school graduation and college admission requirements. In other words, students can prepare for both a four-year college, and a career based on sub-baccalaureate training; they do not have to choose one or the other. There are many examples of students who have won the Washington Award for Vocational Excellence who have gone on to be successful students at four-year institutions.

The proposed admission standards would make it much more difficult to complete career and technical education, and be admitted to a four-year institution. Students would have to decide at an early age whether they want to complete career and technical education or meet the admission requirements for a four-year college or university. This is because when combined with high school graduation requirements, meeting the admission standards would leave too few periods in the day for career and technical education courses (see Figures 1, 2, and 3). The proposed standards might force students to make decisions about which track they are on at a very early time in life, and make it harder for them to change their minds and pursue a four-year degree later in their educational pathway.

Possible Consequence: Reduced Career and Technical Education Options

The proposed standards could cause a decline in schools offering career and technical education, particularly through Skills Centers. Currently, over 7,000 students attend Skills Centers. Students at Skills Centers attend their regular comprehensive high school half of the day, and the Skills Center the other half. Current graduation requirements and minimum college admission requirements make it possible for college-bound students to attend a Skills Center. In order to meet high school graduation requirements and the new admission standards, a senior would have only two periods left for electives, including career and technical education (see Figures 2 and 3). This would not allow for students to attend Skills Centers for three periods of the day as they currently do. At comprehensive high schools, there would likely be a reduction in career and technical education courses available to students.

² Elimination of the Admission Index is also intended to stop providing a disincentive for students to take challenging courses in order to raise their grade-point average for college admission.

Figure 1
High School Graduation Requirements for Students Graduating in 2008

Subject	Credits Required by State
English	3
Math	2
Science	2
Social Studies (Civics, History, Geography)	2.5
Occupational Education	1
³ Health and Fitness	2
Restricted credit preferably in the Arts	1
Elective (non-restricted credit)	5.5
Total	19
Other Requirements <ul style="list-style-type: none"> • Culminating Project: Related to learning competencies and preparations that fulfill Goals 3 and 4. (Goal 3: Think analytically, logically, and creatively, and integrate experience and knowledge to form reasoned judgments and solve problems; Goal 4: Understanding the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities.) • High School Plan and Beyond: An education plan for high school and one for the year following high school. • Certificate of Academic Achievement or Certificate of Individual Achievement: Students who meet the standards on the secondary WASL, or alternative assessments. • Local School Districts Requirements: Various additional requirements have been put in place by local school districts. 	

³ See WAC 180-51-061: Minimum requirements for high school graduation. The State Board of Education sets minimum graduation requirements and local school districts may set additional requirements. In 2000, the State Board of Education revised state graduation requirements. While the requirements were changed, the overall number of credits was not increased. Students must take a minimum of 19 credits in certain subject areas to graduate from high school.

Figure 2

**Example of Student Schedule to Meet 2008 Graduation Requirements and
Current HECB Minimum College Admission Standards**

	9th Grade	10th Grade	11th Grade	12th Grade
1	Social Studies	Social Studies	Fine Arts	Current World Problems/Senior*
2	English	English	English	English
3	Math	Math	Health	Elective
4	Science	Science	Elective	Elective
5	PE/Health	PE/Health	Elective	Elective
6	Foreign Language	Foreign Language	Elective	Elective

* The school district requires that all seniors take a class in “Current World Problems” in order to graduate. This is an example of a district requirement added to state graduation requirements. Some also require service learning.

Figure 3

**Example of Student Schedule to Meet 2008 Graduation Requirements
and Proposed HECB Minimum College Admission Standards**

	9th Grade	10th Grade	11th Grade	12th Grade
1	Social Studies	Social Studies	Social Studies	Current World Problems/Senior*
2	English	English	English	English
3	Math	Math	Math	Math (or Science)
4	Science	Science	Fine Arts	Elective
5	PE/Health	PE/Health	Elective	Elective
6	Foreign Lang	Foreign Lang.	Elective	Elective

* The school district requires that all seniors take a class in “Current World Problems” in order to graduate. This is an example of a district requirement added to state graduation requirements.

Possible Consequence: Increasing Barriers for Students

While the minimum college admission standards are not the same as graduation requirements, there is no doubt they would affect middle and high school offerings. The impact could make our high school dropout problem worse, or could cut off opportunities for students who are “late bloomers.”

A variety of fundamental offerings (arts, humanities, social science, and career and technical education programs) is important for making school relevant to the interests and career plans of students. Currently about one-third of our high school students do not graduate with their class—often because they do not see school as relevant to their interests. By making preparation for a four-year degree, particularly in fields that require advanced math and science, the default program of study for high school students, whether or not it fits students’ interests and career plans, the proposed admission requirements could exacerbate the drop out problem.

The proposed standards might make it harder for students who struggle in high school to eventually obtain a bachelor’s degree. There are students who currently enter four-year institutions who do not meet the proposed admission requirements, but who are able to succeed. The proposed requirements could close the door on this opportunity.

The Importance of Equivalency Language

Some of these concerns would be eliminated if it was clear that the proposed minimum college admission standards allowed school districts to continue determining equivalency for college-level courses. In 1991, HECB established the policy: "Career and technical (vocational) courses determined to be equivalent to academic core courses, in full or in part by a high school and the school district will be accepted as meeting core requirements if such courses are transcribed using the equivalent academic high school department designation and title. Full or partial credit should be recorded as appropriate. Each school district will develop a course equivalency approval procedure." This is supported in school district administrative code.⁴ The language concerning math in the proposed admission standards suggests that determining equivalency would still be acceptable, though it is unclear. Also, there are no provisions in the English, science, and core course requirements that make this explicit.

The current proposed language related to math requirements states applicants seeking admission as freshman to a public baccalaureate institution must successfully complete: "Four credits of mathematics, with at least one credit completed in the senior year of high school, including:

– *One credit each of algebra, geometry, and intermediate algebra or three credits of integrated mathematics through integrated mathematics III; One credit that may include courses such as statistics, pre-calculus, an algebra-based science course, or an additional mathematics course beyond algebra;* and "Applicants who achieve proficiency on the mathematics section of the tenth-grade Washington assessment of student learning will be determined to have completed the first year of high school algebra and geometry, or integrated mathematics I and II."⁵

What is "integrated math" intended to cover? What are the competencies that an integrated math class should teach? School districts currently determine that a range of applied math courses taken, via career and technical education, qualify for the current minimum college admission standards, and the new WAC should explicitly state that school districts may continue to determine equivalency.

Competencies Versus "Seat-Time"

An even better method than providing an "equivalency provision" is to develop competencies and base college admission on attainment of competencies. The current proposal requires additional years of math and college preparatory courses and amounts to more "seat-time" for students.

In 1999, HECB began a project to develop competencies that would assist school districts and four-year institutions to describe precisely the skills sets that are required to enter baccalaureate level programs, titled *Competency-based Admission Standards: Aligning Postsecondary Education with K-12 Education Reform*. This approach to defining admission standards could be revived. A current project, "The Transition Math Project" coordinated by the State Board for Community and Technical Colleges (SBCTC), in conjunction with the Office of Superintendent of Public Instruction and the Council of Presidents, is working toward the establishment of math

⁴ According to WAC180-51-025 Local school district application of state requirements, "The content of courses and the determination of which courses satisfy particular subject area requirements and whether a particular course may satisfy more than one subject area requirement shall be determined locally in accordance with written policies adopted by boards of directors of districts..."

⁵ Higher Education Coordinating Board, "Requirements for Freshman Admission" proposed WAC 250-83-050 (1).

performance standards. Establishing new minimum college admission standards, based on Carnegie units rather than competencies, seems an outmoded approach.

National research defines a clear need to identify competencies. While Intermediate Algebra is recognized in a variety of research studies as a “gateway” to educational programs that lead to high-paying work, only 5 percent of workers use mathematics beyond arithmetic on the job. This does not mean that students should stop taking higher-level math, but it does demonstrate a mismatch between curricula and diverse educational and career needs.⁶ Anthony Carnevale notes that “the focus on academic core curriculum in high school does not provide an obvious transition to the more applied focus of postsecondary education and training.” This is supported by the fact that two-thirds of bachelors degrees awarded in the United States are vocationally oriented.⁷

Alternatives for Reducing Remediation

The new admission standards have been presented as a way of reducing the costs of remedial education at colleges and universities. The proposal, however, is much broader than needed to address this issue. The bulk of remediation costs are associated with math. This problem is mostly associated with students who met their math requirements during their junior, or even sophomore year, and do not take a math class after that. As a consequence, students forget too much of what they have learned by the time they enter college.

The most recent report on remediation from SBCTC finds that of the 34 percent of students who graduate from high school, and then delay entry to college for one or two years, 51 percent took at least one remedial course when they entered college.⁸ The report also notes that while the rate of pre-college (remedial) math taken by recent high school graduates is high, it is no longer increasing, and “Joint efforts of K-16 leaders should lead to an eventual decline in the rate of pre-college (remedial) math course taking by recent graduates.” Of the 10,593 high school graduates that entered baccalaureate institutions in the 2002-2003 academic year, about 12 percent (1,219) took at least one pre-college class in their first year.⁹ Most of those students, 940, took a math class. It is possible that a large part of the remediation solution is not related to how many total years of math students take, but that they take math just prior to entry into college, in their senior year.

For example, one alternative approach for addressing the high levels of math remediation in college is for high schools to offer students one quarter of refresher math during their senior year, with an emphasis on the core competencies required for success in college. This would address the issue without requiring all college-bound students to take four years of math during high school, something many career paths do not require.

Fifteen Percent Rule May Not Be Adequate if Proposal is Adopted

⁶ Anthony P. Carnevale, Donna M. Desrochers, *Standards for What? The Economic Roots of K-16 Reform*, Educational Testing Service, 2003.

⁷ Anthony P. Carnevale, Donna M. Desrochers, *Standards for What? The Economic Roots of K-16 Reform*, Educational Testing Service, 2003, page 54.

⁸ SBCTC, *Pre-College (Remedial) Course Taking by Recent High School Graduates who Attend Washington Community and Technical Colleges – System Summary Updated ofr the High School Graduating Class of 2003, Enrolled in College in 2003-2004*, Research Report No. 04-1, November 2004.

⁹ Personal communication with Bill Moore, State Board for Community and Technical Colleges, March 23.

The proposal states, “No more than fifteen percent of the freshmen enrolled annually at each institution may be deficient in their completion of core courses.”¹⁰ If the proposed rules are eventually adopted a 15 percent threshold may not be adequate as there are likely to be a much larger number of students who are not ready to meet the requirements.

Summary of Possible Consequences

When considering the impact of the proposed minimum college admission standards, combined with current high school graduation requirements, there are a number of possible unintended consequences:

- Tracking of students into either a college preparatory track or career and technical education.
- Increased barriers for students who are at risk of dropping out, or have dropped out, and re-entered the education system to continue their education due to a lack of relevant courses offered.
- Reduced career and technical education offerings, and a variety of other offerings at high schools, that make learning relevant for students and accommodate students with alternative learning styles.
- Reduced options for students interested in entering a baccalaureate institution to attend Skill Centers, as there would not be enough time left in the day to meet the entrance requirements and attend Skills Centers.

Some of these concerns would be alleviated if the proposal clearly stated that school districts may determine whether courses are equivalent to required college courses and meet college admission requirements. Alternatives for remediation should be carefully examined and efforts to develop course competencies should be supported.

¹⁰ Higher Education Coordinating Board, proposed “Requirements for Freshman Admission” WAC 250-83-050 (5).

HECB Public Hearings on Proposed Minimum College Admission Standards

April 7, 4:00 PM

WSU Riverpoint Campus
535 East Trent Avenue
Phase One Building
Auditorium (SCLS 122)
Spokane

April 12, 3:00 PM

Highline Community College
2400 South 240th Street
Library Board Room
Des Moines

April 19, 4:00 PM

Central Washington University
400 East University Way
Student Union Building
Yakima Room
Ellensburg

April 25, 4:00 PM

Tacoma Community College
6501 South 19th Street
Baker Room
Tacoma

May 3, 4:00 PM

WSU Vancouver
14204 NE Salmon Creek Avenue
Rooms SS 129-130
Vancouver

Chapter 250-83 WAC

REQUIREMENTS FOR FRESHMAN ADMISSION

NEW SECTION

WAC 250-83-010 Definitions. "Public baccalaureate institution" or "institution" means any college or university which is operated by the state of Washington and awards bachelor's degrees: The University of Washington, Washington State University, Central Washington University, Eastern Washington University, The Evergreen State College, Western Washington University, and any baccalaureate institution created or acquired by the state of Washington subsequent to the adoption of these rules and operated by the state of Washington to award bachelor's degrees.

"Freshman" means a student who has not enrolled in college course work after leaving high school, and who may or may not have earned college credits while in high school.

"Applicant" means a person seeking admission as a freshman to a public baccalaureate institution.

"Core courses" are those courses that are designed to prepare students for college and that applicants must complete to be considered for admission as freshmen to a public baccalaureate institution. The higher education coordinating board determines the academic subject areas in which applicants must complete core courses. Each local school district, in consultation with the higher education coordinating board, determines which of its individual course offerings meet the definition of a core course.

"High school credit" or "credit" shall be as defined by the state board of education in WAC 180-51-050.

"Algebra-based science course" means a science course that requires students to use the knowledge and skills generally obtained in the first year of high school algebra. An algebra-based science course requires concurrent enrollment in or successful completion of first year high school algebra.

"ACT assessment" or "ACT" means the college entrance examination published by ACT, Inc., Iowa City, Iowa.

"SAT reasoning test" or "SAT" means the college entrance examination published by the College Board, New York, New York.

NEW SECTION

WAC 250-83-020 Effective date. These rules take effect for all freshmen seeking admission to the state's public baccalaureate institutions during and after the summer 2008 academic term.

NEW SECTION

WAC 250-83-030 Replacement of previous admission guidance and policies. These rules supersede previously established higher education coordinating board guidance and policies governing minimum basic admission requirements and alternative admission requirements for freshmen.

NEW SECTION

WAC 250-83-040 Purpose. The purpose of the minimum admission requirements for freshmen is to ensure that:

. Freshmen selected to enroll at the state's public baccalaureate institutions are academically prepared for college;

. The amount of remedial instruction required for recent high school graduates is minimized; and

. Students and families understand that completion of a rigorous high school curriculum in high school is critically important for success in college.

NEW SECTION

WAC 250-83-050 Minimum requirements for freshman admission. Applicants seeking admission as freshmen to a public baccalaureate institution must:

(1) Successfully complete the following core courses:

. Four credits of English, including three credits of literature and composition; may include one credit of elective English, such as creative writing, journalistic writing, and English as a second language; and

. Four credits of mathematics, with at least one credit completed in the senior year of high school, including:

- One credit each of algebra, geometry, and intermediate algebra or three credits of integrated mathematics through integrated mathematics III; and
- One credit that may include courses such as statistics, pre-calculus, an algebra-based science course, or an additional mathematics course beyond algebra; and
- Three credits of social science; and
- Two credits of laboratory science, including one credit of algebra-based biology, chemistry, or physics; and
- Two credits of the same foreign language, the same native American language, or American sign language; and
- One credit of fine, visual, or performing arts, or one additional credit in mathematics, English, social science, laboratory science, foreign language, native American language, or American sign language.

Students who successfully complete pre-calculus or mathematics analysis before high school graduation will be considered to have met the mathematics requirement.

Applicants who achieve proficiency on the mathematics section of the tenth-grade Washington assessment of student learning will be determined to have completed the first year of high school algebra and geometry, or integrated mathematics I and II.

Applicants who achieve proficiency on the reading and writing sections of the tenth-grade Washington assessment of student learning will be determined to have completed the first two years of high school core course requirements in English.

Applicants are encouraged to take additional core courses in high school when available.

(2) A minimum of three credits of core courses each year of high school including the senior year.

(3) Earn a minimum unweighted cumulative grade point average of 2.00 on a 4.00 scale.

(4) Take the SAT reasoning test or the ACT assessment and submit examination scores to each institution where the applicant is applying for admission.

(5) Colleges and universities recognize that experiences and activities in addition to academic achievement can contribute to a successful college application, and that students with diverse experiences and backgrounds contribute to a healthy and vibrant higher education learning community. Therefore, institutions may consider factors such as students' grade point averages, test scores, the overall strength of their high school curricula, and nonacademic characteristics such as their personal essays, community activities, personal circumstances or special talents. No more than fifteen percent of the freshmen enrolled annually at each institution may be deficient in their completion of core courses.

NEW SECTION

WAC 250-83-060 Exceptions to the minimum freshman admission requirements. International applicants are not required to provide SAT or ACT test scores. Other applicants unable to provide SAT or ACT test scores may petition the institution for a waiver. No more than five percent of freshmen enrolled annually at each institution may receive waivers from this requirement.

NEW SECTION

WAC 250-83-070 Authority and responsibilities of institutions. Each institution may establish additional requirements that exceed these minimum requirements for admission at that institution.

Each institution establishes the procedures applicants must follow and the deadlines that applicants must meet to be considered for admission at that institution.

Each institution establishes the processes by which applicants are selected for admission at that institution.

Institutions reserve the right to request additional information about the academic credentials presented by applicants for admission from high schools and other education providers.

TAB 8

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

In order to target state resources for workforce development strategically, in 2002, the Employment Security Department, the State Board for Community and Technical Colleges, and the Workforce Training and Education Coordinating Board coordinated the allocation of certain funds for workforce development. Priority for these funds was given to key occupations and industries. By targeting key sectors of the economy and their clusters of suppliers, workforce development promotes economic vitality and helps ensure that students and workers find good jobs at the end of their training.

Since 2002, the three agencies have supported the "Trio Funding Strategy" by coordinating the release of Requests for Proposals, shortening application procedures, emphasizing increased business and labor partner involvement, developing innovative review processes to meet the needs of local partners, and requiring connections between skill panels, Centers of Excellence, and incumbent worker training.

The paper beneath this face sheet is a policy discussion paper including a brief history of cluster strategy activities and four key policy questions with options to consider for the future.

Board Action Required: For discussion purposes only.

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

**CLUSTER STRATEGY, INTEGRATED FUNDING, AND THE
FUTURE OF SKILL PANELS
A Policy Discussion Paper**

Cluster Strategy

In 2003, the Workforce Training and Education Coordinating Board (Workforce Board) passed a resolution agreeing that targeting workforce development funds to key industries promotes economic vitality (see Attachment A, *Targeting Workforce Development Resources*).

Currently, several state agencies identify key or targeted industries for either workforce or economic development purposes:

- In 2003, the Employment Security Department's (ESD) Labor Market and Economic Analysis Branch (LMEA) began an ongoing effort to develop lists of key industries for Washington's counties. It describes key industries as "core or driver industries-those that both lead and heavily influence other economic activities in the local area."
- The Department of Community, Trade, and Economic Development's web page separates out the state's "primary" industries (such as aircraft, food products, and lumber) from industries that are "targeted for growth" (such as advanced technology, biotechnology, and software).
- The State Board for Community and Technical College's (SBCTC) Workforce Development webpage states that business leaders and research shows that community and technical colleges can best meet the needs of key industries or clusters at the regional level by developing in-depth and high-quality programs that meet the specialized training needs of those industries.
- In *High Skills, High Wages*, the Workforce Board lists "Important Industry Clusters by Regions."

Although Washington's state-level workforce and economic development agencies have identified targeted industries, we don't yet have agreement on what criteria to use to identify the industries.

Key Policy Question

How will partner agencies select cluster or key industries in 2005-2006? What criteria should be used to select clusters?

Policy Option

1. Conduct an analysis of the criteria that partners currently use to select key (or targeted) industries. Appoint a Trio-Funding Committee to review the analysis, agree upon common criteria, and use the criteria to target industries and industry clusters. For instance, industries could be defined as primary, secondary, and tertiary in terms of importance or impact to the general economy and job opportunities:

Primary: Determined to be critical and requiring an immediate need for support.
Secondary: Mid-term support is necessary to fill the projected market need.
Tertiary: Needs long-term support to underwrite broad industry needs.

2. Once clusters are selected, adopt a Memorandum of Understanding to guide future investments. The clusters could be reviewed and revised as needed.

Integrated Funding Approach

In order to target state resources for workforce development strategically, in 2002, ESD, SBCTC, and the Workforce Board coordinated the allocation of \$4.3 million in workforce development funds. The agencies coordinated four Requests for Proposals (RFPs): the Workforce Board's Industry Skill Panels, SBCTC's Skill Standards and High-Demand Programs, and ESD's Industries for the Future Skill's Training (incumbent worker training).

The RFPs reflected four stages of workforce development.

- The first stage brought together the leaders in a key economic sector for the purpose of identifying critical skill needs and identifying solutions. (Skill Panels)
- The second stage used the partnership to develop industry skill standards. (Skill Standards)
- The third stage developed new training programs that prepared workers to meet the standards. (New training programs created)
- The fourth stage provided the training. (Training)

The new approach was widely promoted. It encouraged a strategic, systematic, and customer-focused process by encouraging applicants to apply for the specific resources they needed to meet an industry's workforce development needs (see Attachment B, *Gov. Locke announces \$4.3 million investment in strategic workforce development*).

After the initial integrated funding process, the Workforce Board, SBCTC, and ESD continued to support long-range economic development by combining efforts and focusing resources. Each year, the RFPs for each funding source have included additional elements to enhance coordination, thus taking advantage of the synergistic effect of the funds working together to support key industries critical to state and local economic vitality. In 2004, the partner agencies informally included common criteria in their RFPs, specifically a request to link Industry Skill Panels, Centers of Excellence, and incumbent worker training. Proposal review teams for each RFP included representatives from business, labor, and the three partner agencies. This process gave partner agencies the opportunity to see multiple proposals directed at an industry cluster.

This improvement has resulted in a more strategic use of workforce development funding. The Skill Panels, Targeted Industry Partnerships, and Industries of the Future Skills Training Partnerships programs are connecting their work locally, leveraging planning, resources, and industry subject matter expertise. Another successful outcome is that new workforce development initiatives, such as SBCTC's "Centers for Excellence," are building the coordinated approach into their designs. Skill Panels inform the new centers and provide tools such as curricula and skill standards. Each center functions as a resource for a targeted industry by providing a library of data and information that includes, but is not limited to, current labor market forecasts, leading edge educational programming, and diverse educational delivery methods that can be used to support other community and technical college response to the industry.

Attachment C lists industries that received workforce development funds in each of the state's twelve workforce development areas since 2002. It also lists funding sources and the local organizations that manage the funds. (See Attachment C, *Statewide Workforce Development Funding*.)

Key Policy Question

What further steps can partner agencies take to align their investment and maximize impact?

Policy Option

Trio Funding Committee reviews various approaches to align investments by industry cluster to insure the four stages of workforce development are in place.

Key Policy Question

How can we improve the process for distributing workforce development funds?

Policy Option

Develop a common RFP process, which includes an agreed upon schedule, common review teams, and industry feedback.

Industry Skill Panels: Catalysts for Influence, Innovation, and Improvement

Industry Skill Panels are key to the success of Washington's cluster strategy and an integral component to any coordinated workforce investment strategy. Their interface between business (employers), education (trainers), and employees (labor) is an essential part of an effective workforce education delivery system. Skill Panels offer the coordination of those three parts as well as a significant grounding in the regional economy. They are a proven public intermediary, where they engage business as a partner and customer.

Industry Skill Panels push for change. They:

- contribute on the ground data to improve labor market information/our understanding of the industry.
- recommend new training programs where none existed before.
- promote K-12 career exploration and articulation agreements between secondary and postsecondary education.
- demand more training capacity when there are not enough graduates to go around.
- press for state-of-the-art training for the industry's current workforce.
- demand that public training budgets are used strategically.
- support economic development initiatives aimed at building industry competitiveness.
- allow private enterprise to contribute intellectual and financial resources to ensure both workers and employers stay competitive.

Key Policy Question

What steps must be taken to sustain effective Industry Skill Panels as intermediaries for public and private partnerships?

Policy Options

1. Assure a state partnership role into the future by modestly funding Industry Skill Panels that are primarily supported by the private sector.
2. Collect and distribute “best practice” information from panels that are sustaining themselves with only a minimal level of state funding.
3. Identify a stronger role for business and trade associations to further workforce investment in Washington State.
4. Support peer-to-peer and other high-quality technical assistance.

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 91
MARCH 27, 2003**

**TARGETING WORKFORCE DEVELOPMENT RESOURCES
TO ECONOMIC CLUSTERS**

The paper under this tab offers background information on how the Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges, and the Employment Security Department strategically targeted state resources for workforce development in 2002. The second section of the paper describes continued interest of the three agencies to support economic development by combining efforts and resources to: (1) assist key industries to establish skills panels that analyze workforce needs and find solutions to skill gaps; (2) develop and support “high-demand” programs at community and technical colleges; and (3) implement incumbent worker training.

Board Action Required: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, Targeting workforce development funds for key industries promotes economic vitality and helps ensure that students and workers find good jobs at the end of their training; and

WHEREAS, The Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges, and the Employment Security Department have an interest in joining together to coordinate the allocation of funding sources in Program Year 2003;

NOW, THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorse the strategies for continued "Trio Funding" as described in the attached paper.

TARGETING WORKFORCE DEVELOPMENT RESOURCES TO ECONOMIC CLUSTERS

Background

In order to strategically target state resources for workforce development, the Workforce Training and Education Coordinating Board (WTECB), the State Board for Community and Technical Colleges (SBCTC), and the Employment Security Department (ESD) jointly coordinated the 2002 allocation of \$4.3 million in workforce development funds. The three agencies called this approach “Trio Funding.”

Priority for these funds was given to occupations in key industry clusters. An industry cluster is a concentration of companies in an industry and related firms and institutions that are suppliers, buyers, or regulators of that industry. The existence of an industry cluster gives an area a competitive advantage. The economic potential of cluster strategies prompted the state Office of Trade and Economic Development to contract with the Northwest Policy Center (NPC) to identify key industry clusters in Washington.¹ More recently, NPC expanded the list of regional clusters in Washington.² Local areas supplemented this research, using their own data to identify additional clusters.

When WTECB, SBCTC, and ESD coordinated the 2002 Trio Funding Requests for Proposals (RFPs), they emphasized the cluster strategy. In all, four RFPs were issued, reflecting four stages of workforce development. In the first stage, leaders in a key industry cluster are brought together to identify critical skill needs and solutions. The second stage develops and implements industry skill standards. The third stage develops new training programs to prepare workers to meet the skill standards. And the fourth stage provides the training.

The four RFPs for 2002 were:

WTECB's <i>Securing Key Industry Leadership for Learning Skills</i> (SKILLS) (\$600,000)	Eight projects supported SKILLS Panels in such key industries as healthcare, electronics, energy, information technology, construction, software game development, and manufacturing.
SBCTC's <i>Skill Standards</i> (\$427,038) and <i>High-Demand Programs</i> (\$2,600,000)	Grants to community and technical colleges supported more than 15 high-demand training programs and 3 Skill Standards projects.
ESD's <i>Industries of the Future Skills Training</i> (IFST) RFP (\$720,930)	Five projects supporting incumbent worker training were funded in such key industries as healthcare, agriculture and food processing, and information technology.

¹ Paul Sommers, *Cluster Strategies for Washington*, 2001.

² Sommers and Heg, 2002.

Moving Forward

Early this year, staff from WTECB, SBCTC, and ESD continued discussions on: (1) supporting and strengthening Washington's industry cluster strategy; (2) identifying common goals to enhance coordination; and (3) finding other ways to take advantage of the synergistic effect of a coordinated "Trio Funding" approach.

There is continued interest by the three agencies to strategically support long-range economic development by combining efforts and resources of the three agencies to: (1) assist key industries to establish skills panels that analyze workforce needs and find solutions to skill gaps; (2) develop and support "high-demand" programs at community and technical colleges; and (3) implement incumbent worker training.

SKILLS Panels are important catalysts for strategic investment. Aggregate information from the SKILLS Panels is beginning to influence workforce funding decisions throughout Washington State. Since 2000, a total of 23 SKILLS Panels for multiple industries were funded. Twelve SKILLS Panels (52 percent) received funding from two or three of the four available sources. In addition, the SKILLS Panels successfully applied for funding from other sources, including local Workforce Development Councils (WDCs), colleges, and federal and private sector sources.³ Eight SKILLS Panels (35 percent) are relatively new and will complete their sustainability plans by June 2003.

The Trio Funding approach has provided an excellent opportunity for integrated state strategic planning that support local strategic planning efforts. Plans for 2003 include:

WTECB – will use federal Workforce Investment Act funds (Governor's 10 percent funds) to invite WDCs, community organizations, industry associations, and employers to establish additional Skills Panels. Emphasis will be placed on SKILLS Panels in key industry clusters. WTECB will place additional focus on health care SKILLS Panels, in response to a recommendation by the Health Care Personnel Shortage Task Force.⁴ WTECB will also provide continued support to current SKILLS Panels in information technology, electronics, and energy industries who are demonstrating success in growing their partnership and influencing workforce development investments.

SBCTC – will use state funds in Program Year 2003 to support the state's cluster initiative while promoting inter-college collaboration with a particular emphasis on health care. SBCTC staff developed new funding parameters for 2003 High Demand Grants. Priority will be given to college applications showing collaboration at the regional level. The RFP will recognize the need for multi-year funding to implement targeted programs. SBCTC's discretionary (venture capital) funds for the next school year will be tied to economic development strategies, partnerships, and linkages of funds.

³ Total investments will be reported in an upcoming Workforce Board publication.

⁴ Workforce Board, *Health Care Personnel Shortage: Crisis or Opportunity?*, 2003.

ESD – will use federal Workforce Investment Act funds (Governor’s 10 percent funds) to support incumbent worker training. WDCs will be invited to apply for Program Year 2003 grants. This commitment includes the department’s most recent incumbent worker training grants–Targeted Industry Partnerships (TIP) grants. TIP grants encourage WDCs to invest in industry clusters identified by the NPC.

The Governor’s Joint Economic Vitality Cabinet (JEVC) is exploring additional ways that state agencies can coordinate efforts to promote key economic clusters. This may include the identification of certain clusters to pilot increased coordination, building upon local and state efforts that are already in place. The recommendations for the JEVC will be made on March 24, 2003, and the report will go the JEVC Cabinet on March 31. Should the JEVC Cabinet identify such clusters to pilot greater coordination, and these clusters have workforce development needs that are not being addressed, WTECB, SBCTC, and ESD will likely want to prioritize these clusters for funding.

The “Trio Funding” approach provides an opportunity for strategic system improvements at the state and local levels and has served as a catalyst for linking workforce development with economic development in the workforce system. The state and local areas have benefited from growth in local partnerships supporting key industry clusters vital to the state’s economic growth for urban and rural communities. Local communities appreciate the fact that state agencies are coordinating resources. WDCs and colleges have been charged to think about and implement new ways of doing business around clusters.

Some of the catalysts for system change have been included:

- Good data, including the Sommers report
- Local partnerships that have moved sequentially from strategic planning to training delivery
- Identification of critical industry needs (e.g., health care worker shortages)
- Increased student enrollments in high-demand college training programs
- Development of workforce development champions in our state, our local regions, and from industry
- New ideas that have emerged from lessons learned such as a potential “Center for Excellence”
- Economic stimulators that cause new thinking (i.e. the economy and the recession)

State agencies’ common ground for the Trio Funding strategy have included:

- A focus on economic clusters and business competitiveness
- Progress on “High Skills, High Wages 2002”
- Opportunities for individuals
- New ideas and opportunities to stimulate future investments for public and private concerns

Attached is a diagram of how the “Trio Funding” approach worked. Finally, in addition to the approach in the diagram, in March 2003, the three agencies and the Office of Community, Trade and Economic Development, discussed creating a method for partners from each agency to review one or more funding proposals together to ensure that agency investments are working together to promote economic development.

Office of Governor Gary Locke

FOR IMMEDIATE RELEASE - July 1, 2002

Contact: Governor's Communications Office, 360-902-4136

Alt Contact: Pam Lund, Workforce Training and Education Coordinating Board, 360-586-8678

Jim Crabbe, State Board for Community and Technical Colleges, 360-664-0493

Ross Wiggins, Employment Security Department, 360-438-3132

Gov. Locke announces \$4.3 million investment in strategic workforce development.

OLYMPIA – Gov. Gary Locke today announced a \$4.3 million investment to strengthen the state's economy by providing more advanced training for Washington workers and helping employers in the state find enough skilled workers to fill job openings.

"We must build strong partnerships between government, educators and industry to provide our high-tech industries with skilled workers who meet the standards of their industry," Locke said. "Working together, we can help our businesses thrive and provide family-wage jobs for our citizens."

Even in the current economic recession, Washington's employers can't find enough skilled workers, according to a recent study conducted by the state's Workforce Training and Education Coordinating Board. Many laid-off workers cannot obtain jobs in high-demand fields because they lack the required technical skills.

"Strategic workforce training is absolutely necessary to help our businesses and employees keep up with continued technological advances and sharpen our competitive edge," Locke said. "This will help us close the gap between employers' needs for skilled workers and the number of Washington residents prepared to meet those needs."

Community and technical colleges and local Workforce Development Councils will use the state and federal funds to form business-led partnerships in industries vital to Washington state's economy – industries such as health care, high tech, construction, and agriculture and food processing.

The newly formed partnerships will identify specific skill shortages and recommend solutions, which may include revamping curricula, developing new recruitment methods, providing customized short-term training or integrating nationally recognized skill standards.

The governor credited three state agencies – the Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges and the Employment Security Department – for this innovative joint approach to assure that separate funding sources are used strategically.

More than \$2.6 million will support 16 workforce development projects addressing the state's critical shortage of health care workers. The 16 regional health care partnerships will use the funds to increase access to training and offer new career ladder opportunities for workers in this vital industry.

Workers and employers in Washington's agriculture and food processing industry will benefit from \$330,000 to support more advanced training. High technology businesses such as electronics, information technology and energy technology will benefit from \$755,000 to support training and upgrade employee skills.

The Workforce Training and Education Coordinating Board will administer \$600,000 in SKILLS – Securing Key Industries For Learning Skills – funding to help seven regional partnerships provide a critical link between workforce development and regional economic development strategies.

Industries of the Future Skills Training grants, administered by the Employment Security Department, will make training resources available to employers to help current workers upgrade their skills.

Statewide Workforce Development Funding by Area, Industry, and Fiscal Agent

Funding Source Key

- IFST = Industries of the Future Skills Training
- TIP = Targeted Industry Partnerships
- SAT = Statewide Apprenticeship Training
- LDST = Local Demand Side Training (Currently Negotiating)
- Skill Panels = Industry Skill Panels
- C of E = Centers of Excellence
- High Demand = SBCTC's High Demand Grants
- WD-Rural = SBCTC's Workforce Development and Rural and Economically Impacted Community Development Grants
- Basic Ed. = SBCTC's Integrated Basic Education and Skills Training Grants

Workforce Development Area	Source	Industry	Fiscal Agent
Olympic	IFST	Healthcare	Olympic Workforce Development Council
	TIP	Manufacturing	Olympic Workforce Development Council
	LDST	Negotiating	Olympic Workforce Development Council
	Skill Panel	Health Care	Olympic Workforce Development Council
	Skill Panel	Industrial and Marine Safety Training	Peninsula College
	Skill Panel	Marine Manufacturing	Northwest Workforce Development Council
	High Demand	LPN to RN Advanced Placement Option	Olympic College
	High Demand	Nursing Expansion Program	Peninsula College
	WD-Rural	Medical Assistant Expansion Program	Peninsula College
	WD-Rural	Welding Expansion Program	Olympic College
	Basic Ed.	ESOL/Nursing Assistant Certified Program	Olympic College
Workforce Development Area	Source	Industry	Fiscal Agent
Pacific Mountain	IFST	Healthcare	Pacific Mountain Workforce Development Council
	TIP	Healthcare	Pacific Mountain Workforce Development Council
	LDST	Negotiating	Pacific Mountain Workforce Development Council
	Skill Panel	Boat Building	Pacific Mountain Workforce Development Council
	Skill Panel	Health Care	Pacific Mountain Workforce Development Council
	Skill Panel	Marine Manufacturing	Northwest Workforce Development Council
	C of E	Energy Development and Distribution Technology	Centralia College
	High Demand	Nursing Program Expansion	Grays Harbor Community College
	High Demand	RN Start-up/LPN Expansion	Centralia College
	WD-Rural	ADN Program Expansion	South Puget Sound Community College

Workforce Development Area	Source	Industry	Fiscal Agent
Northwest	IFST	Healthcare	Northwest Workforce Development Council
	TIP	Marine/Education	Northwest Workforce Development Council
	SAT	Education	Northwest Workforce Development Council
	LDST	Negotiating	Northwest Workforce Development Council
	Skill Panel	Health Care	Northwest Workforce Development Council
	Skill Panel	Manufacturing, Technology, and Construction	Northwest Workforce Development Council
	Skill Panel	Marine Manufacturing	Northwest Workforce Development Council
	C of E	Marine Manufacturing and Technology	Skagit Valley College
	C of E	NW Center for Process Technology	Bellingham Technical College
	High Demand	NW Regional Nursing Family Expansion	Bellingham Technical College, Skagit Valley College, Whatcom Community College
	WD-Rural	Medical Office Assistant Expansion	Bellingham Technical College
	WD-Rural	NW Alliance RN Expansion	Skagit Valley College
	Basic Ed.	Health Career Ladder	Skagit Valley College
Workforce Development Area	Source	Industry	Fiscal Agent
Snohomish	High Tech	Manufacturing	Snohomish County Workforce Development Council
	TIP	High Tech (with Seattle)	Snohomish County Workforce Development Council
	SAT	Healthcare	Snohomish County Workforce Development Council
	LDST	Negotiating	Snohomish County Workforce Development Council
	Skill Panel	Health Care	Snohomish County Workforce Development Council
	C of E	CE on Materials Technology in Manufacturing	Edmonds/Everett Community Colleges
	High Demand	Continuing RN Program Expansion	Everett Community College
	High Demand	Materials Science Technology	Edmonds Community College

Workforce Development Area	Source	Industry	Fiscal Agent
Seattle-King	High Tech	High Tech	Seattle-King Workforce Development Council
	IFST	Electrical	Seattle-King Workforce Development Council
	IFST	Retail	Seattle-King Workforce Development Council
	IFST 2	Healthcare	Seattle-King Workforce Development Council
	TIP	High Tech	Seattle-King Workforce Development Council
	SAT	Construction/Fire Fighting	Seattle-King Workforce Development Council
	LDST	Negotiating	Seattle-King Workforce Development Council
	Skill Panel	Construction	Seattle-King Workforce Development Council
	Skill Panel	Game Software	Lake Washington Technical College
	Skill Panel	Health Care	Seattle-King Workforce Development Council
	Skill Panel	Information Technology	Bellevue Community College
	Skill Panel	Manufacturing	Shoreline Community College
	C of E	Center for Careers in Education	Green River Community College
	C of E	Construction Center of Excellence	Renton Technical College
	C of E	Shoreline Center for Manufacturing Excellence	Shoreline Community College
	High Demand	Options for Nursing Education for All	Renton Technical College
	High Demand	Health Care Institute	Seattle District
	WD-Rural	Access to Nursing	Highline Community College
	WD-Rural	Wine Technology Program	South Seattle Community College
	Basic Ed.	Just Do I.T. - Information Technology	South Seattle Community College
Workforce Development Area	Source	Industry	Fiscal Agent
Tacoma-Pierce	High Tech	High Tech	Tacoma-Pierce County Workforce Development Coun
	IFST	Healthcare	Tacoma-Pierce County Workforce Development Coun
	IFST 2	Healthcare	Tacoma-Pierce County Workforce Development Coun
	TIP	Construction	Tacoma-Pierce County Workforce Development Coun
	TIP	Construction	Tacoma-Pierce County Workforce Development Coun
	SAT	Electrical	Tacoma-Pierce County Workforce Development Coun
	LDST	Negotiating	Tacoma-Pierce County Workforce Development Coun
	Skill Panel	Construction	Tacoma-Pierce County Workforce Development Coun
	Skill Panel	Electronics	Pierce County Careers Connection
	Skill Panel	Health Care	Tacoma-Pierce County Workforce Development Coun
	Skill Panel	Homeland Security	Pierce College
	Skill Panel	Information Technology	Pierce County Careers Connection
	C of E	Homeland Security	Pierce College
	High Demand	Dental Hygiene	Pierce College/Fort Steilacoom
	High Demand	Increased Capacity for ADN Program	Tacoma Community College
	High Demand	Puget Sound Health Education Collaboration	Clover Park/Pierce - Puyallup
	Basic Ed.	Early Childhood Education/Para-educator	Tacoma Community College

Workforce Development Area	Source	Industry	Fiscal Agent
Southwest	IFST 2	Manufacturing	Southwest Washington Workforce Development Coun
	TIP	Healthcare	Southwest Washington Workforce Development Coun
	LDST	Industry Still Being Identified	Southwest Washington Workforce Development Coun
	Skill Panel	Health Care	Southwest Washington Workforce Development Coun
	Skill Panel	Transportation	Southwest Washington Workforce Development Coun
	High Demand	Increasing the Number of RN Graduates	Clark College
	High Demand	LPN to RN Bridge Program	Lower Columbia College
Workforce Development Area	Source	Industry	Fiscal Agent
North Central	IFST 2	Agriculture and Food Processing	North Central Workforce Development Council
	TIP	Healthcare	North Central Workforce Development Council
	LDST	Industry Still Being Identified	North Central Workforce Development Council
	Skill Panel	Health Care	North Central Workforce Development Council
	High Demand	Opportunities in Rural Health Care	Big Bend Community College
	WD-Rural	North Central Rural Nursing Expansion	Wenatchee Valley College
	Basic Ed.	Commercial Drivers	Big Bend Community College
Workforce Development Area	Source	Industry	Fiscal Agent
Tri-County	IFST	Manufacturing	Tri-County Workforce Development Council
	SAT	Construction	Tri-County Workforce Development Council
	LDST	Industry Still Being Identified	Tri-County Workforce Development Council
	Skill Panel	Health Care	Tri-County Workforce Development Council
	C of E	Allied Health Technologies Program	Yakima Valley Community College
	High Demand	Grape and Wine Education Programs	Yakima Valley Community College
Workforce Development Area	Source	Industry	Fiscal Agent
Eastern	IFST	Agriculture and Food Processing	Eastern Washington Partnership Workforce Development Council
	LDST	Industry Still Being Identified	Eastern Washington Partnership Workforce Development Council
	Skill Panel	Health Care	Eastern Washington Partnership Workforce Development Council
	Skill Panel	Energy Technology	Walla Walla Community College
	C of E	Agriculture Center of Excellence	Walla Walla Community College
	High Demand	Enology and Vitaculture	Walla Walla Community College
	Basic Ed.	Auto Mechanics	Walla Walla Community College
Workforce Development Area	Source	Industry	Fiscal Agent
Benton-Franklin	IFST	Construction	Benton-Franklin Workforce Development Council
	LDST	Industry Still Being Identified	Benton-Franklin Workforce Development Council
	Skill Panel	Health Care	Benton-Franklin Workforce Development Council
	High Demand	Increasing Nursing Enrollments	Columbia Basin Community College

Workforce Development Area	Source	Industry	Fiscal Agent
Spokane	TIP	Healthcare and Education	Spokane Area Workforce Development Council
	LDST	Negotiating	Spokane Area Workforce Development Council
	Skill Panel	Advanced Manufacturing	Spokane Chamber of Commerce
	Skill Panel	Construction	Community Colleges of Spokane
	Skill Panel	Health Care	Spokane Area Workforce Development Council
	High Demand	Health Care	Spokane Community College
	WD-Rural	Early Childhood Education Certification	Spokane Falls/IEL
	WD-Rural	LPN Expansion to Rural Areas	Community Colleges of Spokane

TAB 9

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 102
MARCH 31, 2005**

**PERFORMANCE TARGETS FOR YEARS 6 AND 7
OF THE WORKFORCE INVESTMENT ACT TITLE I-B**

On January 21, 2004, the U.S. Department of Labor (DOL) issued a Training and Employment Guidance Letter (TEGL) informing states that new state plans for the Workforce Investment Act (WIA) Title I-B would be due on or before May 31, 2005, and that these plans should include proposed levels of performance for PY 2005 (year six) and PY 2006 (year seven). This paper proposes a set of targets to be used as placeholders in the WIA plan. Placing targets in the draft plan allows the Workforce Training and Education Coordinating Board (Workforce Board) to obtain public comment on the targets between April 1 and April 30, 2005. Final action on the WIA I-B plan will occur at the May 12, 2005, Board meeting.

Year six of WIA begins on July 1, 2005. DOL proposes that three of WIA's 17 core indicators—adult and dislocated worker retention and dislocated worker earnings gain—be modified to a format consistent with DOL's common measure initiatives. The other 14 measures will remain the same, either because they are already in common measure format or because they are specified in WIA legislation and cannot be changed until after WIA is reauthorized. Year seven targets are to be set in the same formats, but will likely be changed after WIA is reauthorized.

Guidance to be issued by DOL may establish factors to be taken into account in proposing performance targets, but this guidance will be issued between March 15 and March 30—too late to use in preparation of this material. We are considering our state's performance in year three (PY 2002), year four (PY 2003), and year five (PY 2004). Included in this tab is an attachment that contains all these figures as well as performance results from the nation as a whole.

Workforce Board staff will share these placeholder targets with staff of the local Workforce Development Councils (WDCs) and the Employment Security Department. Final proposed targets will be produced following these consultations and the public review and comment period for the WIA plan. Once adopted by the Workforce Board, the WIA plan and its proposed levels of performance will be submitted to DOL. This begins a negotiation process in which DOL could ask for revisions to the targets.

The WIA plan requires discussion of additional state core indicators. Proposed levels of performance on these indicators are included in this document. Levels of performance for state measures are not negotiated with DOL, and will be approved once the Board approves the WIA plan in May.

Board Action Requested: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, The Department of Labor is requiring states to submit proposed performance targets for years six and seven of the Workforce Investment Act in a plan submission due May 15, 2005; and

WHEREAS, The Governor has designated the responsibility for developing performance targets to the Workforce Training and Education Coordinating Board; and

WHEREAS, Board staff developed recommended targets following the guidelines established by the Department of Labor;

NOW, THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board approve inclusion of the proposed performance targets for years six and seven of the Workforce Investment Act Title I-B in the plan to be submitted for public review in April 2005, and that Board staff prepare final proposals considering input from staff of the local workforce development councils, from the Employment Security Department and from public review and comment on the plan.

**PROPOSED PERFORMANCE TARGETS FOR YEARS 6 AND 7
OF THE WORKFORCE INVESTMENT ACT (WIA) TITLE I-B**

Performance Measure	New Targets:	
	Proposed PY 2005 (Year six)	Proposed PY 2006 (Year seven)
Federal Adult Measures		
Entered Employment	79.5%	80.0%
Retention	82.5%	83.0%
Earnings Gain	\$3,650	\$3,750
Employment and Credential	67.5%	68.0%
Federal Dislocated Worker Minimums		
Entered Employment	82.5%	83.0%
Retention	89.5%	90.0%
Earnings Gain	-\$2,750	-\$2,650
Employment and Credential	72.0%	72.5%
Federal Older Youth Measures		
Entered Employment	71.5%	72.0%
Retention	83.2%	83.5%
Earnings Gain	\$3,347	\$3,380
Employment and Credential	59.0%	60.0%
Federal Younger Youth Measures		
Skill Gains	84.5%	85.0%
High School Diploma Rate	65.5%	66.0%
Retention	66.0%	66.5%
Federal Customer Satisfaction		
Employers	69.0	69.5
Participants	75.0	75.5
State Adult Measures		
Credential Rate	64.5%	65.0%
Employment Q3 After Exit	76.0%	76.0%
Annualized Median Earnings (Q1 2003 \$)	\$18,348	\$18,883
Participant Satisfaction	90.0%	90.0%
State Dislocated Worker Measures		
Credential Rate	71.0%	72.0%
Employment Q3 After Exit	82.0%	82.5%
Annualized Median Earnings (Q1 2003 \$)	\$28,115	\$28,934
Participant Satisfaction	89.5%	89.5%
State Youth Measures		
Credential Rate	75.0%	75.5%
Employment Q3 After Exit	77.0%	77.5%
Annualized Median Earnings (Q1 2003 \$)	\$10,031	\$10,323
Participant Satisfaction	95.0%	95.0%
State Employer Satisfaction Measure	84.5%	N.A.

Factors Considered in Setting Proposed Federal Performance Targets Benchmarks and Proposals for WIA Performance Targets, Years 6 and 7

	(A)	(B)	(C)	(D)	(E)	(F)	New Targets:		Rationale for Proposed Target (Column Referenced in Parentheses)	(J) National Average Targets PY 2003 (Year 4)	(K) National Average Performance PY 2003 (Year 4)
		Annual Reports			Most Recent 4 Quarters (Years 4 & 5)	PY 2004 Preview (Year 5)	Proposed PY 2005 (Year 6)	Proposed PY 2006 (Year 7)			
Adult Measures	PY 2000 (Year 1)	PY 2001 (Year 2)	PY 2002 (Year 3)	PY 2003 (Year 4)							
Entered Employment	72.1%	74.8%	80.7%	78.8%	79.1%	77.9%	79.5%	80.0%	+0.4% over (E)	72.6%	78.0%
Original Retention Measure	81.7%	79.4%	83.8%	85.5%	85.7%	85.2%	82.5%	83.0%	+0.2% over (E)	82.1%	85.3%
Common Retention Measure		79.2%	78.5%	80.0%	82.3%	82.1%	\$3,650	\$3,750	-\$211 below (E)	\$3,025	\$3,302
Earnings Gain	\$4,156	\$3,752	\$3,894	\$3,979	\$3,861	\$3,706	\$5,214		due to higher preprogram earnings		\$5,146
Average Pre-Wage (Reference)			\$4,556	\$4,838	\$4,976	\$5,064					
Employment and Credential	66.3%	66.0%	70.4%	67.2%	67.4%	66.6%	67.5%	68.0%	+0.1% over (E)	55.8%	63.8%
Dislocated Worker Measures											
Entered Employment	78.1%	81.8%	80.6%	82.3%	82.4%	81.5%	82.5%	83.0%	+0.1% over (E)	78.6%	84.2%
Original Retention Measure	90.1%	90.6%	91.1%	91.6%	91.6%	91.2%	89.5%	90.0%	+0.3% over (E)	87.4%	90.8%
Common Retention Measure		86.5%	85.7%	87.9%	89.2%	88.8%					
Original Earnings Gain	91.2%	88.2%	83.2%	84.3%	77.2%	74.7%				91.1%	106.1%
Common Earnings Gain			-\$1,878	-\$986	-\$2,653	-\$3,341	-\$2,750	-\$2,650	-\$97 below (E)		
Average Pre-Wage (Reference)			\$14,372	\$14,950	\$17,284	\$17,849	\$17,386		due to higher preprogram earnings		\$11,478
Employment and Credential	71.5%	71.9%	67.5%	69.3%	71.7%	70.7%	72.0%	72.5%	+0.3% over (E)	58.7%	67.8%
Older Youth Measures											
Entered Employment	67.9%	69.2%	71.5%	74.3%	71.1%	71.6%	71.5%	72.0%	+0.4% over (E)	66.4%	73.0%
Retention Measure	78.0%	76.6%	79.6%	80.2%	83.2%	81.6%	83.2%	83.5%	Unchanged from (E)	77.5%	82.3%
Earnings Gain	\$3,186	\$2,850	\$2,625	\$2,854	\$3,281	\$3,056	\$3,347	\$3,380	2% per year increase over (E)	\$2,598	\$3,170
Average Pre-Wage (Reference)			\$2,292	\$2,314	\$2,111	\$2,086	\$2,059		No trend in pre-earnings		\$1,865
Employment and Credential	46.4%	44.6%	52.7%	56.6%	58.8%	59.8%	59.0%	60.0%	+0.3% over (E)	44.3%	51.0%
Younger Youth Measures											
Skill Gains	87.5%	70.6%	82.8%	87.9%	84.3%	84.1%	84.5%	85.0%	+0.2% over (E)	75.6%	83.6%
High School Diploma Rate	46.1%	64.9%	63.8%	61.8%	65.4%	65.9%	65.5%	66.0%	+0.1% over (E)	53.1%	64.2%
Retention	57.6%	57.8%	63.8%	67.8%	65.9%	66.3%	66.0%	66.5%	+0.1% over (E)	56.6%	64.2%
Customer Satisfaction											
Employers	67.6	68.1	67.8	68.1	68.6	69.2	69.0	69.5	+0.4% over (E)	71.8	74.2
Participants	76.4	75.9	75.0	74.7	75.3	75.7	75.0	75.5	Maintain 75.0 Target	73.5	77.2

Factors Considered in Setting Proposed State Performance Targets Benchmarks and Proposals for WIA Performance Targets, Years 6 and 7

	Annual Reports				(F)	New Targets:		Rationale for Proposed Target (Column Referenced in Parentheses)
	(A)	(B)	(C)	(D)		Proposed PY 2005 (Year 6)	Proposed PY 2006 (Year 7)	
Adult Measures	PY 2000 (Year 1)	PY 2001 (Year 2)	PY 2002 (Year 3)	PY 2003 (Year 4)	PY 2004 Preview (Year 5)			
Credential Rate	39.7%	62.6%	62.4%	63.9%	63.3%	64.5%	65.0%	+0.3% over (E)
Employment Q3	68.2%	66.1%	74.5%	75.0%	74.9%	76.0%	76.0%	+0.4% over (E)
Annualized Median Earnings	\$14,600	\$15,142	\$16,743	\$18,480	\$17,528	\$18,348	\$18,883	3% per year increase over (E)
Earnings in 2003 Dollars	\$15,848	\$16,436	\$18,174	\$18,480	\$17,528			
Participant Satisfaction	85.8%	N.A.	90.6%	90.4%	89.7%	90.0%	90.0%	+0.4% over (E)
Dislocated Worker Measures								
Credential Rate	46.3%	71.8%	64.8%	63.5%	72.5%	71.0%	72.0%	+0.5% over (E)
Employment Q3	76.4%	78.3%	79.7%	81.4%	81.1%	82.0%	82.5%	+0.1% over (E)
Annualized Median Earnings	\$22,639	\$24,119	\$24,386	\$27,189	\$26,944	\$28,115	\$28,934	3% per year increase over (E)
Earnings in 2003 Dollars	\$24,574	\$26,180	\$26,470	\$27,189	\$26,944			
Participant Satisfaction	86.9%	N.A.	89.5%	89.1%	89.5%	89.5%	89.5%	+0.3% over (E)
Youth Measures								
Credential Rate	46.5%	51.4%	67.6%	71.1%	73.8%	75.0%	75.5%	+0.2% over (E)
Employment or Education Q3	59.3%	79.8%	72.0%	75.8%	76.4%	77.0%	77.5%	+0.6% over (E)
Annualized Median Earnings	\$6,962	\$6,667	\$8,504	\$9,762	\$9,851	\$10,031	\$10,323	3% per year increase over (E)
Earnings in 2003 Dollars	\$7,557	\$7,237	\$9,231	\$9,762	\$9,851			
Participant Satisfaction	94.6%	N.A.	94.1%	94.8%	95.6%	95.0%	95.0%	Maintain at 95.0%
Employer Satisfaction								
Satisfaction Index	N.A.	72.8%	N.A.	83.1%	N.A.	84.5%	N.A.	+1.4% over (D)

Rationale for Proposals

Adults (Federal): Federal levels of performance are based on the most recent four quarters of results available, shown in Column E of the spreadsheets. The most recent four quarters include the last quarter of PY 2003 and the first three quarters of PY 2004. In most cases, targets are set at a slight increment above this level, increasing to the nearest one-half percentage point above the performance shown in Column E.

A different method is used for the federal earnings gain measure. A slight reduction in this target is proposed because of the increase in average preprogram earnings that has occurred in years five and year six. Average preprogram earnings for adults whose earnings gains will be recorded in year six are \$238 higher than those recorded for the most recent four quarters (Column E) and \$376 higher than experienced in PY 2003. These higher preprogram earnings are expected to reduce earnings gain and are factored into the proposed level of performance.

The Department of Labor (DOL) expects to propose a revision to the adult retention measure in late March 2005. The revision will define employment retention using the common measure definition, which uses the percent employed in quarters one, two, and three after exit in the numerator and percent employed in quarter one after exit in the denominator. The original retention measure used the same denominator but counted only the percent employed in quarters one and three after exit in the numerator. We have produced baselines for the redefined measure and propose year six and seven targets in terms of the new definition.

Washington State's performance on federal adult measures was 107 percent of the national average in PY 2003. However, Washington State's PY 2003 targets were 110 percent of the average targets for other states. Given our already high levels of performance and relatively high targets, we do not propose to raise targets by more than the small amounts proposed here. Maintaining our high levels of performance will assist DOL in maintaining high levels of nationwide performance.

Dislocated Workers (Federal): As with adults, targets for dislocated workers are based on the most recent four quarters of results available, shown in Column E of the spreadsheets. Small increments over this baseline are proposed for all federal and state measures except dislocated worker earnings gain. The revised retention measure adopted for the adult program as part of the common measure initiative is also adopted for dislocated workers.

In a separate revision, DOL proposes to adopt the earnings gain definition used for adult participants for use by the dislocated worker program. This measure can be calculated by subtracting average earnings in quarters two and three prior to registration from the average earnings in quarters two and three after exit for those dislocated workers who are employed in quarter one after exit. Wages used in this measure come from unemployment insurance wage records, not supplemental employment records. This measure differs from the current dislocated worker wage replacement rate in two ways.

The current dislocated worker wage replacement indicator is based on preprogram wages in quarter two and three before the date of dislocation. The current measure is calculated by dividing total postprogram wages by total preprogram wages for workers employed in quarter one after exit. The result is usually a percentage lower than 100 percent. For most workers dislocated from high-wage jobs, it is hard to replace 100 percent of predislocation wages. In Washington State, we have treated predislocation wages as missing if we can find no earnings in quarters two and three before dislocation unless the participant was a displaced homemaker. Under the new definition it will be possible to have preprogram wage amounts of zero for those participants whose dislocation occurred far enough before program registration.

Washington State had one of the lowest wage replacement rates in the country, and will have serious difficulty meeting national expectations for earnings gain on the new measure for the same reasons. According to PY 2003 Workforce Investment Act Standardized Record Data (WIASRD) public-use files for the United States, average preprogram wages were only \$11,478 nationally during the PY 2003 report year. Wages in the western region were not much higher, at only \$11,507. Dislocated worker preprogram earnings were below \$10,000 in 14 states. Washington State's preprogram earnings in that year were \$14,546 in that file, 11th highest in the country. (The national WIASRD file produces slightly lower results than our updated local files used in the tables in this section). Nationally, average postprogram earnings of \$12,150 produced a slight earnings gain for the program in PY 2003. Our postprogram earnings of \$13,891 were sixth highest in the country, but produced an earnings gain of -\$655 (-\$986 in the updated local files). The problem becomes extreme as highly paid Boeing and dot-com workers begin exiting the program this year and next. Average preprogram earnings for current exiters in our local files are above \$17,000. The national shows our preprogram earnings to be second to only those in Massachusetts by PY 2004. With large numbers of Boeing and dot-com workers still waiting to exit, we can expect several years of high preprogram wages.

Postprogram earnings should stay high in Washington State as well, but trends for the most recent year (Columns E and F) show earnings gain approaching and surpassing-\$3,000. Our proposed target of -\$2,750 recognizes these special conditions. We will revise our WIA outcome regression models this spring and will be in a position to propose adjustments to this target when future changes in preprogram earnings suggest that target adjustments are needed.

Washington State's performance on federal dislocated worker measures was 95 percent the national average in PY 2003. Our low dislocated worker wage replacement rates are responsible for this lower-than-average performance. Nonetheless, Washington State's targets in PY 2003 were set at 104 percent of the average targets for other states. Given these high targets, we exceeded our PY 2003 targets by only a narrow margin. Given our relatively high targets, we do not propose to raise targets by more than the small amounts proposed here.

Youth (Federal): As with the adult and dislocated worker measures, most youth targets are set at a slight increment above performance achieved in the most recent four quarters of results shown in Column E. DOL does not seek revisions to the older youth retention or earnings gain measures. Common measure formats are not required for older youth measures because they are not expected to be in use after WIA reauthorization. Average preprogram wages for older youth have been relatively stable. As a result, we propose earnings gain increases of 2 percent per year over the most recent results in Column E.

Washington State's performance on federal youth measures was 101 percent of the national average in PY 2003. However, Washington State's targets in PY 2003 were set at 105 percent of the average targets for other states. Given our above average performance and relatively high targets, we do not propose to raise targets by more than the small amounts proposed here. Maintaining our high levels of performance will assist DOL in maintaining high levels of nationwide performance.

Satisfaction (Federal): DOL proposes keeping its federal customer satisfaction survey measures for one more year. It is likely that WIA reauthorization will drop the customer satisfaction survey requirement by year seven. However, DOL has requested that two-year plans provide targets for both year six and year seven.

Washington State proposes a target of 69.0 for employers and 75.0 for participants in year six and proposes to increase these targets to 69.5 and 75.5 in year seven. The proposal sets the target for employer satisfaction at .4 percentage points above the most recent results, but still below the national average for both results and targets. Year six targets for participants are proposed at the same level as year five targets, above the national average for targets.

State Performance Measures

The DOL planning document also requires information about additional state measures of performance. As a result, we will need to include targets for those measures as well. Levels of performance for 12 of the 13 state performance measures have been proposed using a process similar to the one used for federal measures. The only exception is that targets for annualized postprogram earnings are set by increasing Column E results by three percent per year. The Board adopted these three percent per year increments in annual earnings targets when the state earnings measure was first implemented.

The final state performance measure, of employer satisfaction, was already approved with *High Skills High Wages* last year. This is the biennial employer satisfaction measure that is measured using the Workforce Board's employer needs and practices survey. Originally, this target was to be applied in year five. We have moved this target to year six to accommodate changes in federal reporting deadlines. DOL moved its annual report deadline from December 1 to October 1 in 2004. The change in reporting deadline makes it impractical to apply this target until the year six report.

